

# Dhaka Bank Limited and its Subsidiaries

## Independent Auditor's Report and Audited Consolidated & Separate Financial Statements For the year ended 31 December 2015



**ACNABIN**

*Chartered Accountants*

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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DHAKA BANK LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Dhaka Bank Limited and its subsidiaries namely Dhaka Bank Securities Limited and Dhaka Bank Investment Limited ("the Group") as well as the separate financial statements of Dhaka Bank Limited ("the Bank"), which comprise the consolidated balance sheet of the Group and the separate balance sheet as at 31 December 2015 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements and Internal Controls**

Management is responsible for the preparation of consolidated financial statements of the Group and also the separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.1.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (Amended in 2013) and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal control and report to Bangladesh Bank on instances of fraud and forgeries.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made



by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements of the Group and the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2015, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.1.1.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991, (Amended in 2013) and the rules and regulations issued by Bangladesh Bank, we also report that:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal control and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements Financial Statements and Internal Control:
  - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note # 2.36 to the financial statements appeared to be materially adequate;
  - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (c) financial statements of the subsidiaries of the Bank have been audited by us and have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;





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- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,100 person hours for the audit of the books and accounts of the Bank.

Dhaka,  
20 April 2016

**ACNABIN**  
**Chartered Accountants**



**Dhaka Bank Limited and its Subsidiaries**
**Consolidated Balance Sheet  
 As at 31 December 2015**

	Notes	31.12.2015 Taka	31.12.2014 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3(a)	<b>14,966,422,109</b>	<b>15,900,963,572</b>
Cash in hand (including foreign currencies)	3.1(a)	1,543,708,584	1,395,199,940
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	13,422,713,525	14,505,763,632
<b>Balance with other banks and financial institutions</b>	4(a)	<b>10,212,560,426</b>	<b>6,685,901,914</b>
In Bangladesh	4.1(a)	6,724,351,465	2,542,023,266
Outside Bangladesh	4.2(a)	3,488,208,961	4,143,878,648
<b>Money at call and on short notice</b>	5(a)	<b>15,300,000</b>	<b>448,300,000</b>
<b>Investments</b>	6(a)	<b>23,072,924,090</b>	<b>21,660,965,339</b>
Government	6.1(a)	19,637,850,305	18,358,963,884
Others	6.2(a)	3,435,073,785	3,302,001,455
<b>Loans, advances and lease/investments</b>	7(a)	<b>118,184,480,515</b>	<b>103,604,211,956</b>
Loans, cash credits, overdrafts, etc./Investments	7.1(a)	115,789,830,575	101,376,448,530
Bills purchased and discounted	8(a)	2,394,649,940	2,227,763,426
<b>Fixed assets including premises, furniture and fixtures</b>	9(a)	<b>4,109,853,726</b>	<b>3,972,617,496</b>
<b>Other assets</b>	10(a)	<b>6,630,271,560</b>	<b>7,479,196,391</b>
<b>Non-banking assets</b>	11(a)	<b>23,166,033</b>	<b>23,166,033</b>
<b>Total Assets</b>		<b>177,214,978,460</b>	<b>159,775,322,700</b>
<b>LIABILITIES &amp; CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12(a)	<b>10,834,730,420</b>	<b>9,414,685,059</b>
<b>Deposits and other accounts</b>	13(a)	<b>138,591,501,745</b>	<b>124,853,559,335</b>
Current accounts & other accounts		15,782,686,124	14,362,088,804
Bills payable		1,267,436,384	2,175,092,005
Savings bank deposits		14,564,284,031	11,463,880,702
Term deposits		106,977,095,206	96,852,497,824
<b>Non Convertible Subordinated Bond</b>	14	<b>1,400,000,000</b>	<b>2,000,000,000</b>
<b>Other Liabilities</b>	15(a)	<b>12,697,374,983</b>	<b>10,534,004,356</b>
<b>Total Liabilities</b>		<b>163,523,607,149</b>	<b>146,802,248,750</b>
<b>Capital/Shareholders' Equity</b>			
<b>Equity attributable to equity holders of the parent company</b>		<b>13,691,333,955</b>	<b>12,973,044,957</b>
Paid-up capital	16	6,253,642,600	5,685,129,640
Statutory reserve	17	5,300,741,818	4,825,543,616
Other reserve	18	871,896,065	870,409,255
Retained earnings	19(a)	1,265,053,472	1,591,962,445
Non-controlling interest	16(a)	37,355	28,994
<b>Total Equity</b>		<b>13,691,371,311</b>	<b>12,973,073,950</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>177,214,978,460</b>	<b>159,775,322,700</b>



**Off-Balance Sheet Items**

**Contingent Liabilities**

Acceptances and Endorsements  
Letter of Credit  
Letter of Guarantee  
Bills for Collection  
Other Contingent Liabilities

Notes	31.12.2015 Taka	31.12.2014 Taka
21		
	14,225,611,128	13,756,065,906
	14,238,167,995	13,042,203,273
	14,194,068,714	13,085,748,553
	7,608,526,452	5,783,061,204
	1,988,427,743	3,008,744,945
	<b>52,254,802,031</b>	<b>48,675,823,881</b>

**Other Commitments**

Documentary credit and short term trade-related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving underwriting facilities  
Undrawn formal standby facilities, credit lines and other commitments

	-	-
	-	-
	-	-
	-	-
	-	-
	<b>52,254,802,031</b>	<b>48,675,823,881</b>

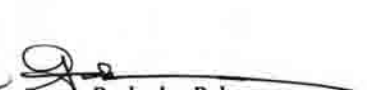
**Total off-balance sheet items including contingent liabilities**

The annexed notes form an integral part of these consolidated financial statements.

  
Syed Mahbubur Rahman  
Managing Director & CEO


  
Alraf Hossain Sarker  
Director

  
Abdul Hal Sarker  
Director

  
Reshadur Rahman  
Chairman

This is the consolidated balance sheet referred to in our separate report of even date.

Dhaka,  
20 April 2016

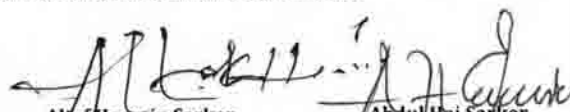
  
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**Dhaka Bank Limited and its Subsidiaries**  
**Consolidated Profit and Loss Account**  
**For the year ended 31 December 2015**

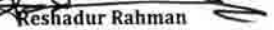
	Notes	2015 Taka	2014 Taka
<b>OPERATING INCOME</b>			
Interest income/profit on investments	22(a)	12,146,219,663	13,735,943,604
Interest paid/profit on deposits and borrowings, etc.	23(a)	(10,124,160,206)	(10,872,137,267)
<b>Net interest income</b>		<b>2,022,059,457</b>	<b>2,863,806,337</b>
Investment income	24(a)	3,214,203,256	2,802,724,014
Commission, exchange and brokerage	25(a)	1,372,701,795	1,229,119,977
Other operating income	26(a)	385,037,898	362,407,946
		<b>4,971,942,949</b>	<b>4,394,251,937</b>
<b>Total operating income (a)</b>		<b>6,994,002,406</b>	<b>7,258,058,274</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27(a)	1,668,303,553	1,658,519,240
Rent, taxes, insurance, electricity, etc.	28(a)	474,877,645	420,901,350
Legal expenses	29(a)	10,539,131	18,453,410
Postage, stamps, telecommunication, etc.	30(a)	50,265,745	43,139,888
Stationery, printing, advertisement, etc.	31(a)	202,509,445	199,016,679
Chief executive's salary and fees	32(a)	10,422,334	7,268,600
Directors' fees	33(a)	4,203,240	4,451,376
Auditors' fees	34(a)	1,495,000	977,500
Depreciation and repairs of Bank's assets	35(a)	308,421,863	283,775,653
Other expenses	36(a)	544,338,145	481,099,128
<b>Total operating expenses (b)</b>		<b>3,275,376,103</b>	<b>3,117,602,824</b>
<b>Profit before provision (c = (a-b))</b>		<b>3,718,626,303</b>	<b>4,140,455,450</b>
Provision against loans and advances	37(a)	1,095,173,902	543,128,511
Provision against good borrower	15.2	1,254,000	-
Provision for diminution in value of investments	38	4,075,897	13,499,886
Other Provisions	39(a)	129,759,710	238,787,580
<b>Total provision (d)</b>		<b>1,230,263,509</b>	<b>795,415,977</b>
<b>Profit before taxation (c-d)</b>		<b>2,488,362,794</b>	<b>3,345,039,473</b>
Provision for taxation		975,634,094	1,246,392,649
Current tax		973,201,002	1,231,650,519
Deferred Tax		2,433,092	14,742,131
<b>Net profit after taxation</b>		<b>1,512,728,701</b>	<b>2,098,646,823</b>
<b>Net profit after tax attributable to:</b>			
Equity holders of DBL		1,512,720,339	2,098,639,857
Non-controlling interest		8,362	6,966
		<b>1,512,728,701</b>	<b>2,098,646,823</b>
<b>Retained surplus from previous year</b>		1,591,962,445	1,349,055,004
Add: Net profit after tax (attributable to equity holders of DBL)		1,512,720,339	2,098,639,857
		<b>3,104,682,784</b>	<b>3,447,694,861</b>
<b>Appropriations</b>			
Statutory reserve		475,198,202	644,167,728
General reserve		-	20,394,675
Dividends etc.		1,364,431,110	1,191,170,013
Retained earnings		1,265,053,472	1,591,962,445
		<b>3,104,682,784</b>	<b>3,447,694,861</b>
<b>Consolidated Earning per Share (CEPS)</b>	40(a)	2.42	3.36

The annexed notes form an integral part of these consolidated financial statements.

  
 Syed Mahbubur Rahman  
 Managing Director & CEO


  
 Alfaz Hossain Sarker  
 Director

  
 Abdul Hai Sarker  
 Director

  
 Reshadur Rahman  
 Chairman

This is the consolidated profit and loss account referred to in our separate report of even date.

Dhaka,  
 20 April 2016

  
 ACNABIN  
 Chartered Accountants

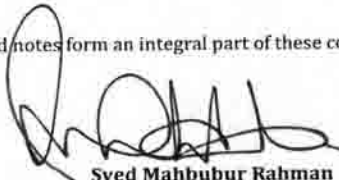



**Dhaka Bank Limited and its Subsidiaries**
**Consolidated Cash Flow Statement  
 For the year ended 31 December 2015**


	Notes	2015 Taka	2014 Taka
<b>Cash Flows from Operating Activities</b>			
Interest / Profit receipts		12,452,248,134	13,750,834,735
Interest / Profit payments		(10,409,383,282)	(11,114,332,831)
Dividend receipts		17,224,307	80,295,480
Fee and commission receipts		907,896,707	930,579,591
Payments to employees		(1,636,454,240)	(1,627,967,019)
Payments to suppliers		(262,456,314)	(259,505,834)
Income taxes paid		(1,126,541,634)	(1,391,744,053)
Receipts from other operating activities	41(a)	687,609,836	690,233,887
Payments for other operating activities	42(a)	(1,157,057,813)	(1,014,613,426)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>		<b>(526,914,301)</b>	<b>43,780,529</b>
<b>Changes in operating assets and liabilities</b>			
Purchase / Sale of trading securities		(1,276,494,561)	(2,601,304,570)
Loans and advances to customers		(14,761,366,258)	(3,254,621,253)
Other assets	43(a)	837,356,509	(975,269,050)
Deposits from other banks		4,829,331,120	862,371,005
Deposits from customers		8,908,611,290	8,010,022,917
Other liabilities account of customers		(40,640,900)	(36,798,429)
Other liabilities	44(a)	1,338,331,940	(764,253,845)
<b>(ii) Cash (used in)/ flow from operating assets and liabilities</b>		<b>(164,870,861)</b>	<b>1,240,146,775</b>
<b>Net cash (used in) / flow from operating activities (a)= (i+ii)</b>		<b>(691,785,162)</b>	<b>1,283,927,304</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of securities		2,577,699,492	1,938,405,838
Sale/ (Purchase) of securities		178,653,642	1,407,746,691
Purchase of property, plant & equipment		(332,751,208)	(1,616,815,345)
Proceeds from sale of scrap		12,300	-
Sale of property, plant & equipment		-	29,481
<b>Net cash flow from investing activities (b)</b>		<b>2,423,614,225</b>	<b>1,729,366,665</b>
<b>Cash flows from financing activities</b>			
Borrowing from other banks		1,451,143,061	5,764,767,188
Dividends paid		(795,918,150)	(920,449,563)
Redemption of Non Convertible Subordinated Bond		(600,000,000)	-
Purchase / sale of subsidiary		-	60
<b>Net cash flow from financing activities (c)</b>		<b>55,224,911</b>	<b>4,844,317,685</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>		<b>1,787,053,975</b>	<b>7,857,611,654</b>
Add: Effects of exchange rate changes on cash & cash equivalent		372,968,125	243,235,518
Add: Cash and cash equivalents at beginning of the year		23,038,884,136	14,938,036,964
<b>Cash and cash equivalents at end of the year (*)</b>		<b>25,198,906,236</b>	<b>23,038,884,136</b>
<b>(*) Cash and cash equivalents</b>			
Cash in Hand		1,543,708,584	1,395,199,940
Balance with Bangladesh Bank & Sonali Bank		13,422,713,525	14,505,763,632
Balance with other banks & Financial Institutions		10,212,560,426	6,685,901,914
Money at call & Short Notice		15,300,000	448,300,000
Prize Bond		4,623,700	3,718,650
		<b>25,198,906,236</b>	<b>23,038,884,136</b>


The annexed notes form an integral part of these consolidated financial statements.

Dhaka,  
20 April 2016

  
 Syed Mahbubur Rahman  
 Managing Director & CEO

  
 Altaf Hossain Sarker  
 Director

  
 Abdul Hal Sarker  
 Director

  
 Reshadur Rahman  
 Chairman



**Dhaka Bank Limited and its Subsidiaries**

**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2015**

(Amount in Taka)

Particulars	Paid up capital	Non-controlling interest	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2015	5,685,129,640	28,994	4,825,543,616	160,272,618	648,455,000	61,681,637	1,591,962,445	12,973,073,950
Changes in accounting policy	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>5,685,129,640</b>	<b>28,994</b>	<b>4,825,543,616</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>61,681,637</b>	<b>1,591,962,445</b>	<b>12,973,073,950</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	1,486,810	-	1,486,810
Currency transaction differences	-	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	-	-	-	-	-	<b>63,168,447</b>	-	-
Share Capital of subsidiary company	-	-	-	-	-	-	-	-
Adjustment with retained earnings	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	1,512,728,701	1,512,728,701
Transfer to reserve	-	-	-	-	-	-	-	-
Dividend:	-	-	-	-	-	-	-	-
Stock dividend	568,512,960	-	-	-	-	-	(568,512,960)	-
Cash dividend	-	-	-	-	-	-	(795,918,150)	(795,918,150)
Stock dividend paid by subsidiary company	-	-	-	-	-	-	-	-
Changes in reserve	-	-	475,198,202	-	-	-	(475,198,202)	-
Non-controlling interest	-	8,362	-	-	-	-	(8,362)	-
<b>Balance as at 31 December 2015</b>	<b>6,253,642,600</b>	<b>37,355</b>	<b>5,300,741,818</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>63,168,447</b>	<b>1,265,053,472</b>	<b>13,691,371,311</b>



**Dhaka Bank Limited and its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2014**

Particulars	(Amount in Taka)							
	Paid up capital	Non-controlling interest	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2014	5,414,409,190	21,968	4,181,375,888	139,877,943	648,455,000	311,620,853	1,349,055,004	12,044,815,846
Changes in accounting policy	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>5,414,409,190</b>	<b>21,968</b>	<b>4,181,375,888</b>	<b>139,877,943</b>	<b>648,455,000</b>	<b>311,620,853</b>	<b>1,349,055,004</b>	<b>12,044,815,846</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	(249,939,216)	-	(249,939,216)
Currency transaction differences	-	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	-	-	-	-	-	<b>61,681,637</b>	-	-
Share Capital of subsidiary company	-	60	-	-	-	-	-	60
Adjustment with retained earnings	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	2,098,646,823	2,098,646,823
Transfer to reserve	-	-	-	-	-	-	-	-
Dividend:	-	-	-	-	-	-	-	-
Stock dividend	270,720,450	-	-	-	-	-	(270,720,450)	-
Cash dividend	-	-	-	-	-	-	(920,449,563)	(920,449,563)
Stock dividend paid by subsidiary company	-	-	-	-	-	-	-	-
Changes in reserve	-	-	644,167,728	20,394,675	-	-	(664,562,403)	-
Non-controlling interest	-	6,966	-	-	-	-	(6,966)	-
<b>Balance as at 31 December 2014</b>	<b>5,685,129,640</b>	<b>28,994</b>	<b>4,825,543,616</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>61,681,637</b>	<b>1,591,962,445</b>	<b>12,973,073,950</b>

The annexed notes form an integral part of these consolidated financial statements.

Dhaka,  
20 April 2016

  
Syed Mambur Rahman  
Managing Director & CEO

  
Atay Hossain Sarker  
Director

  
Reshadur Rahman  
Chairman



**Dhaka Bank Limited**  
**Balance Sheet**  
**As at 31 December 2015**

	Notes	31.12.2015 Taka	31.12.2014 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	<b>14,966,312,609</b>	<b>15,900,854,072</b>
Cash in hand (including foreign currencies)	3.1	1,543,599,084	1,395,090,440
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	13,422,713,525	14,505,763,632
<b>Balance with other banks and financial institutions</b>	4	<b>10,180,026,192</b>	<b>6,219,697,351</b>
In Bangladesh	4.1	6,691,817,231	2,075,818,703
Outside Bangladesh	4.2	3,488,208,961	4,143,878,648
<b>Money at call and on short notice</b>	5	<b>15,300,000</b>	<b>448,300,000</b>
<b>Investments</b>	6	<b>20,799,087,940</b>	<b>19,698,855,161</b>
Government	6.1	19,637,850,305	18,358,963,884
Others	6.2	1,161,237,635	1,339,891,277
<b>Loans, advances and lease/investments</b>	7	<b>117,840,165,963</b>	<b>103,131,519,274</b>
Loans, cash credits, overdrafts, etc./Investments	7.1	115,445,516,023	100,903,755,848
Bills purchased and discounted	8	2,394,649,940	2,227,763,426
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>4,099,983,356</b>	<b>3,957,799,257</b>
<b>Other assets</b>	10	<b>8,438,430,047</b>	<b>9,367,352,413</b>
<b>Non-banking assets</b>	11	<b>23,166,033</b>	<b>23,166,033</b>
<b>Total Assets</b>		<b>176,362,472,141</b>	<b>158,747,543,561</b>
<b>LIABILITIES &amp; CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12	<b>10,634,730,420</b>	<b>9,414,685,059</b>
<b>Deposits and other accounts</b>	13	<b>139,068,899,318</b>	<b>124,853,559,335</b>
Current accounts & other accounts		15,782,686,124	14,362,088,804
Bills payable		1,267,436,384	2,175,092,005
Savings bank deposits		15,041,681,604	11,463,880,702
Term deposits		106,977,095,206	96,852,497,824
<b>Non Convertible Subordinated Bond</b>	14	<b>1,400,000,000</b>	<b>2,000,000,000</b>
<b>Other liabilities</b>	15	<b>11,870,171,137</b>	<b>9,733,785,542</b>
<b>Total Liabilities</b>		<b>162,973,800,875</b>	<b>146,002,029,936</b>
<b>Capital/Shareholders' Equity</b>			
<b>Total Shareholders' Equity</b>		<b>13,388,671,266</b>	<b>12,745,513,625</b>
Paid-up capital	16	6,253,642,600	5,685,129,640
Statutory reserve	17	5,300,741,818	4,825,543,616
Other reserve	18	871,896,065	870,409,255
Retained earnings	19	962,390,782	1,364,431,114
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>176,362,472,141</b>	<b>158,747,543,561</b>



**Off-Balance Sheet Items**

**Contingent liabilities**

Acceptances and endorsements  
Letter of credit  
Letter of guarantee  
Bills for collection  
Other contingent liabilities

Notes	31.12.2015 Taka	31.12.2014 Taka
21	<b>52,254,802,031</b>	<b>48,675,823,881</b>
	14,225,611,128	13,756,065,906
	14,238,167,995	13,042,203,273
	14,194,068,714	13,085,748,553
	7,608,526,452	5,783,061,204
	1,988,427,743	3,008,744,945

**Other commitments**

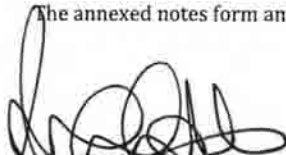
Documentary credit and short term trade-related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving underwriting facilities  
Undrawn formal standby facilities, credit lines and other commitments

-	-
-	-
-	-
-	-

**Total off-balance sheet items including contingent liabilities**


<b>52,254,802,031</b>	<b>48,675,823,881</b>
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The annexed notes form an integral part of these financial statements.

  
Syed Mahbubur Rahman  
Managing Director & CEO

  
Altaf Hossain Sarker  
Director

  
Abdul Hai Sarker  
Director

  
Reshadur Rahman  
Chairman

This is the balance sheet referred to in our separate report of even date.

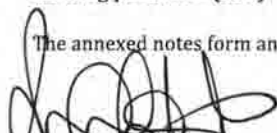
Dhaka,  
20 April 2016

  
**ACNABIN**  
Chartered Accountants

**Dhaka Bank Limited**  
**Profit & Loss Account**  
**For the year ended 31 December 2015**

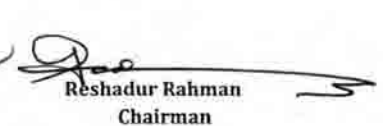
	Notes	2015 Taka	2014 Taka
<b>OPERATING INCOME</b>			
Interest income/profit on investments	22	12,135,286,236	13,705,387,970
Interest paid/profit on deposits and borrowings, etc.	23	(10,116,296,447)	(10,879,027,249)
<b>Net interest income</b>		<b>2,018,989,789</b>	<b>2,826,360,721</b>
Investment income	24	3,003,455,981	2,542,824,552
Commission, exchange and brokerage	25	1,316,145,294	1,127,036,781
Other operating income	26	370,836,561	360,878,331
		<b>4,690,437,836</b>	<b>4,030,739,664</b>
<b>Total operating income (a)</b>		<b>6,709,427,625</b>	<b>6,857,100,385</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27	1,636,454,240	1,627,967,019
Rent, taxes, Insurance, electricity, etc.	28	459,716,648	406,184,756
Legal expenses	29	10,263,756	18,081,062
Postage, stamps, telecommunication, etc.	30	49,624,780	42,600,696
Stationery, printing, advertisement, etc.	31	201,302,778	198,019,076
Chief executive's salary and fees	32	10,422,334	7,268,600
Directors' fees	33	3,556,195	3,600,271
Auditors' fees	34	1,265,000	805,000
Depreciation and repairs of Bank's assets	35	298,178,696	268,105,367
Other expenses	36	534,410,087	476,392,510
		<b>3,205,194,514</b>	<b>3,049,024,357</b>
<b>Total operating expenses (b)</b>		<b>3,205,194,514</b>	<b>3,049,024,357</b>
<b>Profit before provision (c = (a-b))</b>		<b>3,504,233,111</b>	<b>3,808,076,028</b>
Provision against loans and advances	37	1,095,173,902	543,128,511
Provision against good borrower	15.2	1,254,000	-
Provision for diminution in value of investments	38	4,075,897	13,499,886
Other provisions	39	27,738,300	30,608,990
		<b>1,128,242,099</b>	<b>587,237,387</b>
<b>Total provision (d)</b>		<b>1,128,242,099</b>	<b>587,237,387</b>
<b>Profit before taxation (c-d)</b>		<b>2,375,991,012</b>	<b>3,220,838,641</b>
Provision for taxation		938,402,032	1,191,845,133
Current tax		934,833,819	1,176,134,507
Deferred Tax		3,568,213	15,710,626
		<b>1,437,588,980</b>	<b>2,028,993,508</b>
<b>Net profit after taxation</b>		<b>1,437,588,980</b>	<b>2,028,993,508</b>
<b>Profit available for distribution</b>			
Retained earnings from previous year		1,364,431,114	1,191,170,022
Add: Retained earnings of current year		1,437,588,980	2,028,993,508
		<b>2,802,020,094</b>	<b>3,220,163,530</b>
<b>Appropriations</b>			
Statutory reserve		475,198,202	644,167,728
General reserve		-	20,394,675
Dividends etc.		1,364,431,110	1,191,170,013
Retained earnings		962,390,782	1,364,431,114
		<b>2,802,020,094</b>	<b>3,220,163,530</b>
<b>Earning per Share (EPS)</b>	40	2.30	3.24

The annexed notes form an integral part of these financial statements.

  
 Syed Mahbubur Rahman  
 Managing Director & CEO

  
 Altaf Hossain Sarker  
 Director

  
 Abdul Hai Sarker  
 Director

  
 Reshadur Rahman  
 Chairman

This is the profit and loss account referred to in our separate report of even date.

Dhaka,  
 20 April 2016

  
 ACNABIN  
 Chartered Accountants

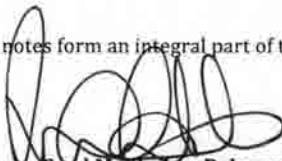


**Dhaka Bank Limited**  
**Cash Flow Statement**  
**For the year ended 31 December 2015**

	Notes	2015 Taka	2014 Taka
<b>Cash Flow from Operating Activities</b>			
Interest / Profit receipts		12,225,018,344	13,488,419,129
Interest / Profit payments		(10,185,223,161)	(10,876,711,749)
Dividend receipts		17,224,307	80,295,480
Fee and commission receipts		848,851,082	826,966,780
Payments to employees		(1,636,454,240)	(1,627,967,019)
Payments to suppliers		(262,456,314)	(259,505,834)
Income taxes paid		(1,126,541,634)	(1,391,744,053)
Receipts from other operating activities	41	465,150,348	417,683,333
Payments for other operating activities	42	(1,092,764,963)	(952,253,574)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>		<b>(747,196,231)</b>	<b>(294,817,507)</b>
<b>Changes in operating assets and liabilities</b>			
Purchase / Sale of trading securities		(1,276,494,561)	(2,601,304,570)
Loans and advances to customers		(14,708,646,689)	(3,535,635,805)
Other assets	43	880,562,594	(957,403,335)
Deposits from other banks		4,829,331,120	862,371,005
Deposits from customers		9,386,008,863	8,010,022,917
Other liabilities account of customers		(40,640,900)	(36,798,429)
Other liabilities	44	1,337,285,264	(628,859,973)
<b>(ii) Cash flow from operating assets and liabilities</b>		<b>407,405,691</b>	<b>1,112,391,810</b>
<b>Net cash (used in)/ flow from operating activities (a)= (i+ii)</b>		<b>(339,790,540)</b>	<b>817,574,303</b>
<b>Cash Flow from Investing Activities</b>			
Proceeds from sale of securities		2,889,425,464	2,416,603,730
Sale/ (Purchase) of securities		178,653,642	1,407,746,691
Purchase of property, plant & equipment		(331,703,774)	(1,616,074,495)
Proceeds from sale of scrap		12,300	-
Sale of property, plant & equipment		-	29,481
Purchase / sale of subsidiary		-	(249,999,940)
<b>Net cash flow from investing activities (b)</b>		<b>2,736,387,631</b>	<b>1,958,305,467</b>
<b>Cash Flow from Financing Activities</b>			
Borrowing from other banks		1,220,045,361	5,764,767,188
Redemption of Non Convertible Subordinated Bond		(600,000,000)	-
Dividends paid		(795,918,150)	(920,449,563)
<b>Net cash (used in)/ flow from financing activities (c)</b>		<b>(175,872,788)</b>	<b>4,844,317,625</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>		<b>2,220,724,303</b>	<b>7,620,197,395</b>
Add: Effects of exchange rate changes on cash & cash equivalent		372,968,125	243,235,518
Add: Cash and cash equivalents at beginning of the year		22,572,570,073	14,709,137,160
<b>Cash and cash equivalents at end of the year (*)</b>		<b>25,166,262,501</b>	<b>22,572,570,073</b>
<b>(*) Cash and cash equivalents</b>			
Cash in Hand		1,543,599,084	1,395,090,440
Balance with Bangladesh Bank & Sonali Bank		13,422,713,525	14,505,763,632
Balance with other banks & Financial Institutions		10,180,026,192	6,219,697,351
Money at call & Short Notice		15,300,000	448,300,000
Prize Bond		4,623,700	3,718,650
		<b>25,166,262,501</b>	<b>22,572,570,073</b>

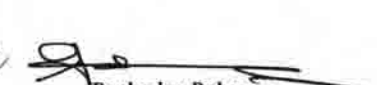
The annexed notes form an integral part of these financial statements.

Dhaka,  
 20 April 2016

  
 Syed Manubur Rahman  
 Managing Director & CEO

  
 Alzar Hossain Sarker  
 Director

  
 Abdul Hai Sarker  
 Director

  
 Reshadur Rahman  
 Chairman



**Dhaka Bank Limited**

**Statement of Changes in Equity  
For the year ended 31 December 2015**

Particulars	(Amount in Taka)						
	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2015	5,685,129,640	4,825,543,616	160,272,618	648,455,000	61,681,637	1,364,431,114	12,745,513,625
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>5,685,129,640</b>	<b>4,825,543,616</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>61,681,637</b>	<b>1,364,431,114</b>	<b>12,745,513,625</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	1,486,810	-	1,486,810
Currency transaction differences	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,168,447</b>	<b>-</b>	<b>-</b>
Net Profit for the year	-	-	-	-	-	1,437,588,980	1,437,588,980
Transfer to reserve	-	-	-	-	-	-	-
Dividend:							
Stock dividend	568,512,960	-	-	-	-	(568,512,960)	-
Cash dividend	-	-	-	-	-	(795,918,150)	(795,918,150)
Changes in reserve	-	475,198,202	-	-	-	(475,198,202)	-
<b>Balance as at 31 December 2015</b>	<b>6,253,642,600</b>	<b>5,300,741,818</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>63,168,447</b>	<b>962,390,782</b>	<b>13,388,671,266</b>

**Dhaka Bank Limited**
**Statement of Changes in Equity  
 For the year ended 31 December 2014**

Particulars	(Amount in Taka)						
	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2014	5,414,409,190	4,181,375,888	139,877,943	648,455,000	311,620,853	1,191,170,022	11,886,908,896
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>5,414,409,190</b>	<b>4,181,375,888</b>	<b>139,877,943</b>	<b>648,455,000</b>	<b>311,620,853</b>	<b>1,191,170,022</b>	<b>11,886,908,896</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(249,939,216)	-	(249,939,216)
Currency transaction differences	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	-	-	-	-	<b>61,681,637</b>	-	-
Net Profit for the year	-	-	-	-	-	2,028,993,508	2,028,993,508
Transfer to reserve	-	-	-	-	-	-	-
Dividend:	-	-	-	-	-	-	-
Stock dividend	270,720,450	-	-	-	-	(270,720,450)	-
Cash dividend	-	-	-	-	-	(920,449,563)	(920,449,563)
Changes in reserve	-	644,167,728	20,394,675	-	-	(664,562,403)	-
<b>Balance as at 31 December 2014</b>	<b>5,685,129,640</b>	<b>4,825,543,616</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>61,681,637</b>	<b>1,364,431,114</b>	<b>12,745,513,625</b>

The annexed notes form an integral part of these financial statements.

Dhaka,  
 20 April 2016

  
 Syed Mansoor Rahman  
 Managing Director & CEO

  
 Altaf Hossain Sarker  
 Director

  
 Abdul Hai Sarker  
 Director

  
 Keshadur Rahman  
 Chairman





**Dhaka Bank Limited**  
**Liquidity Statement**  
**(Asset and Liability Maturity Analysis)**  
**As at 31 December 2015**

Particulars	(Amount in Taka)					
	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	more than 5 years	Total
<b>Assets:</b>						
Cash in hand	14,966,312,609	-	-	-	-	14,966,312,609
Balance with other banks and financial institutions	3,651,550,540	-	6,528,475,652	-	-	10,180,026,192
Money at call on short notice	-	-	-	-	15,300,000	15,300,000
Investment	244,361,335	-	400,000,000	8,408,529,506	11,746,197,100	20,799,087,940
Loans and Advances	33,519,902,061	29,208,368,404	28,884,310,741	23,989,080,249	2,238,504,508	117,840,165,963
Fixed assets including premises, furniture and fixtures	-	-	-	594,043,164	3,505,940,192	4,099,983,356
Other assets	2,354,723,401	-	3,445,443,184	866,380,406	1,771,883,056	8,438,430,047
Non-banking assets	-	-	-	23,166,033	-	23,166,033
<b>Total Assets</b>	<b>54,736,849,945</b>	<b>29,208,368,404</b>	<b>39,258,229,577</b>	<b>33,881,199,357</b>	<b>19,277,824,857</b>	<b>176,362,472,141</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	(2,130,000,000)	-	(6,213,323,414)	(2,291,407,007)	-	(10,634,730,420)
Deposits & Other Accounts	(17,078,684,610)	(24,872,354,036)	(69,527,502,528)	(16,554,214,886)	(11,036,143,257)	(139,068,899,318)
Non Convertible Subordinated Bond	-	-	-	-	(1,400,000,000)	(1,400,000,000)
Other liabilities	(3,244,272,213)	-	(8,625,898,924)	-	-	(11,870,171,137)
Capital & Reserve	-	-	-	(13,388,671,266)	-	(13,388,671,266)
<b>Total Liabilities</b>	<b>(22,452,956,824)</b>	<b>(24,872,354,036)</b>	<b>(84,366,724,866)</b>	<b>(32,234,293,158)</b>	<b>(12,436,143,257)</b>	<b>(176,362,472,141)</b>
<b>Net Liquidity Gap</b>	<b>32,283,893,122</b>	<b>4,336,014,368</b>	<b>(45,108,495,288)</b>	<b>1,646,906,200</b>	<b>6,841,681,600</b>	<b>-</b>
<b>Cumulative Liquidity Gap</b>	<b>32,283,893,122</b>	<b>36,619,907,490</b>	<b>(8,488,587,798)</b>	<b>(6,841,681,600)</b>	<b>-</b>	<b>-</b>

**Dhaka Bank Limited and its Subsidiaries**  
**Notes to the Consolidated & Separate Financial Statements**  
**For the year ended 31 December 2015**

**1.0 Status of the Bank and Principal Activities**

**1.1 Legal form of the bank**

The Dhaka Bank Limited (the "Bank") was incorporated in Bangladesh as a public limited company with limited liability as on 06 April 1995 under the Companies Act, 1994 and commenced commercial operation on 05 July 1995. The Bank went for the public issue of shares on 18 November 1999 and its shares are listed with the Stock Exchanges of Bangladesh. Now it has 87 branches all over Bangladesh which includes 56 urban and 31 rural branches, an offshore banking unit at EPZ, Dhaka and 03 SME Service Centers. Out of the above, two branches of the bank are run under Islamic Shariah, the modus operandi of which is substantially different from other non-Islamic branches. The Bank has two subsidiary companies in the name of Dhaka Bank Securities Limited with 6 branches in Dhaka, Chittagong and Sylhet and Dhaka Bank Investment Limited.

The principal place of business is the registered office at 100, Motijheel Commercial Area, Biman Bhaban, Dhaka-1000, Bangladesh. The Bank has been holding 99.99% shares of Dhaka Bank Securities Limited and Dhaka Bank Investment Limited, two subsidiary companies of Dhaka Bank Limited.

The Bank has a dedicated philanthropic unit named Dhaka Bank Foundation which has been operating since 28 July 2004.

**1.2 Nature of business/principal activities of the bank**

**1.2.1 Conventional banking**

The principal activities of the bank are to provide all kinds of commercial banking services to its customers through its branches and SME Centers and electronic delivery channels in Bangladesh

**1.2.2 Islamic banking**

The Bank operates Islamic Banking in two branches designated for this purpose in complying with the rules of Islamic Shariah. A separate balance sheet, income statement and a statement of profit paid on deposits are shown in **Annexure-I** and the figures appearing in the annexure have been incorporated in the respective heads of these financial statements as recommended by the Central Shariah Board for Islamic Banks in Bangladesh. A separate unit for Islamic Banking has been formed in Head Office to monitor and comply with the rules of Islamic Shariah and other Regulatory bodies.

**1.2.3 Off-shore banking unit**

The Off-shore banking unit is a separate business unit of Dhaka Bank Limited and maintains its accounting records in USD. The Bank obtained the Offshore Banking Unit permission vide letter no. BRPD(P)744(92)/2005-2181 dated 18 June 2005. The Bank commenced the operation of its Offshore Banking Unit with effect from 10 May 2006. The unit is located at Savar EPZ, Dhaka. Separate financial statements of Off-shore Banking Unit are also presented.





#### 1.2.4 SME service center

The main functions of SME Service Centers are to render services only for receiving application, disbursement, monitoring, and recovery of SME/Retail loans. They also serve the customers for opening of account, payments of foreign remittance etc.

#### 1.2.5 Central processing center (CPC)

Dhaka Bank has established the central processing center (CPC) for trade & credit operations. The center maintains its accounting records in the general ledger of the respective branches. The import/Export related processing & Credit Operations are centrally controlled and monitored by the CPC for efficient and effective decision-making and reduction of cost as well.

#### 1.2.6 Subsidiaries of the bank

##### 1.2.6.1 Dhaka Bank Securities Limited (Former DBL Securities Limited)

As per decision of the 153<sup>rd</sup> meeting of the Board of Directors of Dhaka Bank Limited, a separate subsidiary company in the name of DBL Securities Limited was formed to carry out the stock broker and stock dealer activities of Capital Market Services Division of the Bank. The Board of Directors of Dhaka Bank Limited in its 208<sup>th</sup> meeting renamed the subsidiary company as "Dhaka Bank Securities Limited" instead of "DBL Securities Limited". Dhaka Bank subscribed Tk.149,999,990 divided into 14,999,999 shares @Tk.10 each with 99.99% of contribution to Equity participation. Further, Tk.1,350,000,000 were injected by Dhaka Bank Limited as Fresh Capital during the year 2011. 05 (five) new Directors were inducted in the Board of Dhaka Bank Securities Limited by transferring 05 (five) share certificates @Tk.10.00 each of Dhaka Bank Securities Limited held by Dhaka Bank Limited. Financial Statements of this subsidiary are portrayed in **Annexure-K**.

##### 1.2.6.2 Dhaka Bank Investment Limited

As per approval of the Board of Directors of Dhaka Bank Limited in its 190<sup>th</sup> meeting, a separate subsidiary company in the name and style of "Dhaka Bank Investment Limited" was formed with Authorized Capital of Tk. 2,000,000,000 and Paid-up Capital of Tk. 250,000,000, amongst other, to conduct Merchant Banking Activities, to act as Issue Managers, Securities Management and Brokerage, Custodian Service, Investment and Asset Management, Portfolio Management, Capital Market operation etc. Dhaka Bank subscribed Tk.249,999,940 divided into 24,999,994 shares @Tk.10 each with 99.99% of contribution to Equity participation. The company is yet to receive the license from Bangladesh Securities and Exchange Commission (BSEC) to commence its operation. Financial Statements of this subsidiary are given in **Annexure-L**.

## 2.0 Significant accounting policies and basis of preparation of the financial statements

### 2.1 Basis of accounting

#### 2.1.1 Statement of compliance

The financial statements of the Bank and its subsidiaries (the "Group") are made up to 31 December each year, and are prepared under the historical cost convention, except land which is shown at revalued amount and certain investments which are measured at fair/market value as per the guideline of the Bangladesh Bank. The financial statements are prepared in accordance with the first schedule of Bank Companies Act, 1991, BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards (IAS)





and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Listing Regulations of the Stock Exchanges, the Securities and Exchange Rule 1987 and other laws and rules applicable in Bangladesh. In case the requirement of Bangladesh Bank differs with those of BAS/BFRS, the requirement of Bangladesh Bank has been applied.

The operations of Islamic Banking branches are accounted for in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions for which a separate set of books and records are being maintained.

### **Material departures from the requirement of BFRS are as follows**

#### **i) Investment in shares and securities**

**BFRS:** As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year end is taken to profit and loss account or revaluation reserve respectively.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

#### **ii) Revaluation gains/losses on government securities**

**BFRS:** As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

**Bangladesh Bank:** HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

#### **iii) Provision on loans and advances/investments**

**BFRS:** As per requirement of BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on individual or collective (portfolio) basis.



**Bangladesh Bank:** As per BRPD circular no. 14 (23 September 2012), BRPD circular no. 19 (27 December 2012) and BRPD circular no. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for substandard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again, as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

#### iv) Recognition of interest in suspense

**BFRS:** Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

#### v) Other comprehensive income

**BFRS:** As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

#### vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

#### vii) Repo transactions

**BFRS:** When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock dealing), the arrangement is accounted for as a collateralized borrowing and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

**Bangladesh Bank:** As per BB circular/guidelines, when a Bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock dealing), the arrangement is accounted for as a normal sale transaction and the financial asset should be derecognized in the seller's book and recognized in the buyer's book.





**vii) Financial guarantees**

**BFRS:** As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

**viii) Cash and cash equivalent**

**BFRS:** Cash and cash equivalent items should be reported as cash item as per BAS 7.

**Bangladesh Bank:** Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

**(ix) Non-banking asset**

**BFRS:** No indication of Non-banking asset is found in any BFRS.

**Bangladesh Bank:** As per BRPD 14, there must exist a face item named Non-banking asset.

**x) Cash flow statement**

**BFRS:** The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

**Bangladesh Bank:** As per BRPD 14, cash flow is the mixture of direct and indirect methods.

**xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)**

**BFRS:** Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.

**Bangladesh Bank:** Balance with Bangladesh Bank is treated as cash and cash equivalents.

**xii) Presentation of intangible asset**

**BFRS:** An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

**Bangladesh Bank:** There is no regulation for intangible assets in BRPD 14.



### xiii) Off-balance sheet items

**BFRS:** There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

**Bangladesh Bank:** As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

### xiv) Loans and advances/Investments net of provision

**BFRS:** Loans and advances/Investments should be presented net of provision.

**Bangladesh Bank:** As per BRPD 14, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

## 2.1.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using 'mark to market' concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- Zero Coupon Bond at present value using amortization concept.
- Land is recognized at cost at the time of acquisition and subsequently measured at fair value as per BAS-16 'Property Plant & Equipment' and BSEC notification SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013.

## 2.1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with BAS and BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. The most significant areas where estimates and judgements have been made are on provision for loans and advances, income tax, deferred tax, employee benefits and liquidity statement.

## 2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Dhaka Bank Limited, the Offshore Banking Unit and its two subsidiaries i.e. Dhaka Bank Securities Limited and Dhaka Bank Investment Limited made up to the end of the financial year.

The consolidated financial statements have been prepared in accordance with BFRS-10 based on a common financial year ended 31 December 2015.

A Banking software system 'FLEXCUBE' produces consolidated Balance Sheet and Profit & Loss Account including Offshore Banking and Islamic Banking operation. These consolidated records are maintained at the Head Office of the Bank based on which these financial statements have been prepared.

## Transaction eliminated on consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transaction between Group are also eliminated on consolidation.

## 2.3 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value and are used by the Bank Management for its short-term commitments.

## 2.4 Loans and advances and provision thereon

Interest is calculated on a daily basis in product level, but charged or capitalized on quarterly basis. Interests due against classified loans (up to DF) are usually keeping in interest suspense account as per Bangladesh Bank guidelines, and such interest is not accounted for income realization, until the same is recovered from borrowers. Interest is not charged on Bad/ Loss loans, as per guidelines of Bangladesh Bank.

Provision for Loans and Advances is made on the basis of year end review by the Management and of instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23.09.2012, BRPD Circular No. 19 dated 27.12.2012, BRPD Circular No. 05 dated 29.05.2013, BRPD Circular No. 16 dated 18.11.2014 and BRPD Circular No. 8 dated 02.08.2015. A provision of Tk. 1,095,173,902 has been made during the year 2015 which has been found to be adequate. The total volume of non-performing loan is Tk. 5,490,649,320 as of 31.12.2015.

The provisioning rates are given below:

Business unit		Provision in %				
		UC	SMA	SS	DF	BL
Consumer	House Building and Professional	2%	2%	20%	50%	100%
	Other than House Building and Professional	5%	5%	20%	50%	100%
Brokerage Houses/ Merchant Banks/ Stock Dealers against shares		2%	2%	20%	50%	100%
Small and Medium Enterprises		0.25%	0.25%	20%	50%	100%
Agriculture		2.5%	--	5%	5%	100%
Others		1%	1%	20%	50%	100%





Written off against classified Loans and Advances are considering to the extent that; i. there is no realistic prospects of recovery, and ii. Legal cases those were unsettled for more than five years as per guidelines of Bangladesh Bank.

However, write off application will not reduce the total claim against the borrower and detailed records of such write off accounts are generally maintained in a separate ledger.

## 2.5 Investments

Investments are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discount accreted, using the effective or historical yield method. Accounting treatment of government treasury securities and bonds (categorized as HFT or/and HTM) is made following Bangladesh Bank DOS Circular Letter No. 05, dated 26 May 2008. The valuation methods of investments used are:

### a) Held to maturity (HTM)

Investments which are intended to be held till maturity are classified as "Held to Maturity". These are measured at amortized cost at each year end by taking into account any discount or premium on acquisition. Premiums are amortized and discount accreted, using the effective or historical yield method. Any increase or decrease in value of such investments is booked to equity and in the profit and loss statement respectively.

### b) Held for trading (HFT)

Investment classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the profit and loss statement and revaluation reserve as per Bangladesh Bank DOS Circular no. 05 dated 28 January 2009.

### c) Investment in listed shares and securities

These securities are bought and held primarily for the purpose of selling them in future or holding for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment as per Bangladesh Bank guideline **(Note-6.2.1)**.

### d) Investment in unquoted shares and securities

Investment in unlisted securities is reported at cost under cost method **(Note-6.2.1)**.

### e) REPO and Reverse REPO

Since 1 September 2010 transactions of REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank. In case of REPO of both coupon and non-coupon bearing (Treasury bill) securities, the Bank adjusts the Revaluation Reserve Account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.



### f) Investment in subsidiary

Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the Bangladesh Accounting Standard. Accordingly, investments in subsidiaries are stated in the Bank's Balance Sheet at cost, less impairment losses if any.

Value of Investment has been enumerated as follows:

Investment Class	Initial Recognition	Measurement after initial recognition	Recording of changes
Held for Trading (T Bills, T Bonds, etc.)	Cost	Fair Value	Loss to Profit and Loss Account, gain to Revaluation Reserve through Profit and Loss Account.
Held to Maturity (T Bills, T Bonds etc.)	Cost	Amortized Cost	Increase or decrease in value to equity and in the profit and loss statement respectively.
Prize Bond	Cost	Cost	None
Shares(Quoted )	Cost	Market value	Loss (gain net off) to Profit and Loss Account but no unrealized gain booking.
Shares(Unquoted )	Cost	At cost or book value as per last audited balance sheet, whichever is lower	Loss to Profit and Loss Account but no unrealized gain booking.
Investment in Islamic Bond	Cost	Cost	None

### 2.6 Property, plant and equipment and depreciation

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

- i) All fixed assets are stated at cost less accumulated depreciation as per BAS-16. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.
- ii) The Bank recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.
- iii) Depreciation is charged on straight-line method at the following rates on cost of assets from the month of their purchase as per revised policy with effect from the year 2012.

<u>Name of the Assets</u>	<u>Rate of Depreciation</u>
Land	Nil
Building	2.50% p.a.
Furniture & Fixtures	10.00% p.a.
Office Appliances & Equipment	20.00% p.a.
Computer and Software	20.00% p.a.
Vehicles	20.00% p.a.



## **2.7 Impairment of assets**

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the assets recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount by debiting to profit and loss account.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired.

## **2.8 Asset revaluation reserve**

Dhaka Bank Limited re-valued the Land during the year 2011 by an independent valuation firm according to Paragraph 36 of BAS-16 as per approval of the Board of Directors of the Bank. As per Risk Based Capital Adequacy Guidelines for Banks under BASEL - III, the Revaluation Reserve for Assets and Securities will diminish at 20% per year on the base amount of 31 December 2015 so that the whole revaluation reserve amount will not get capital treatment after the end of five years (starting from January 2015). **[For detail please see Note-18.2].**

## **2.9 Other assets**

Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the Bank.

## **2.10 Receivables**

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

## **2.11 Non-banking assets**

Non-banking assets are acquired on account of the failure of a debtor to repay the loan in time after receiving the decree from the Court regarding the right & title of mortgaged property during the year 2010. The value of the properties has been incorporated in the books of accounts on the basis of third party valuation report.

## **2.12 Leasing**

Leases are classified as Finance Lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.





**a) The Bank as lessor**

Amounts due from leases under finance lease are recorded in the assets side of the Balance Sheet at the amount of the bank's net investment in the leases. Finance lease rental income is allocated to accounting periods so as to reflect a constant periodic rate of return on the bank's net investment outstanding in respect of the leases. No depreciation has been charged for such lease in the account.

**b) The Bank as lessee**

Assets held under finance leases are recognized as assets of Bank at fair value at the date of acquisition or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a Finance Lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Assets held under Finance Leases are depreciated over their expected useful lives on the same basis as owned assets.

**2.13 Share capital**

The Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

**2.14 Statutory reserve**

Under section 24.1 of The Bank Companies Act, 1991 Banks are required to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

**2.15 Non-controlling interest in subsidiaries**

Non-controlling interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the non-controlling interest in the subsidiary company is always less than 50% of outstanding shares, else the company would cease to be a subsidiary of the parent.

**2.16 Non convertible subordinated bond**

- i) The Bank issued Redeemable Non Convertible Subordinated Bond of Tk.2,000,000,000.00 as Supplementary Capital (Tier-2) of the Bank for a term of 07 (seven) years to strengthen the capital base of the Bank on the consent of Bangladesh Securities and Exchange Commission Vide Letter No. SEC/CI/CPLC-10/2001-256 dated 09.09.2010.
- ii) The Bank received approval for issuance of another tranche of Non Convertible Subordinated Bond of Tk. 3,000,000,000.00 as additional Supplementary Capital (Tier-2) of the Bank vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under BASEL-III Accord.

**2.17 Deposits and other accounts**

Deposits by customers and banks are recognized when the Bank enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date and initially measured at the consideration received.





## **2.18 Borrowings from other banks, financial institutions and agents**

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks. These are stated in the balance sheet at amounts payable. Interest paid/ payable on these borrowings is charged to the profit and loss account.

## **2.19 Interest suspense account**

Interests on classified loans were not taken into income account. The amount was credited to Interest Suspense Account. Interest/profit on classified advances is accounted for on a cash receipt basis.

## **2.20 Retirement benefits to the employees**

### **a) Provident fund**

Provident Fund benefits are given to the employees of the bank in accordance with the locally registered Provident Fund Rules. The Commissioner of Income Tax, Tax Zone-5, Dhaka has approved the provident fund as a recognized provident fund as per section 2(1) of part-B of the first schedule of Income Tax Ordinance, 1984. The recognition took effect from 1<sup>st</sup> July 1996. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The Bank also contributes equal amount of the employees' contribution to the fund. Interest earned from the investments is credited to the members account annually.

### **b) Superannuation fund**

The bank operates a Superannuation Fund Trust by a Board of Trustees consisting of seven members at present. The death-cum survival benefits are given to the employees as per the eligibility narrated in the Trust Rules. The fund got recognition from the National Board of Revenue (NBR) with effect from 1<sup>st</sup> January 2001 under section 3 & 4 of part- A of first schedule of Income Tax Ordinance 1984. The Bank contributes to the fund annually as per Superannuation Fund Rules of the bank.

### **c) Gratuity**

The bank operates an Employee Gratuity Fund Trust by a Board of Trustees consisting of seven members at present. All confirmed employees who have been in the service of the bank for a minimum of five years without break, should be eligible to have the benefit under the gratuity scheme. The Gratuity Trust Rules got recognized from the National Board of Revenue (NBR) with effect from 25.04.2006 under section 2 & 3 of part-C of first schedule of Income Tax Ordinance 1984. The bank has started making provision against gratuity from the year 2004.

## **2.21 Revenue recognition**

The revenue is recognized complying with the conditions of revenue recognition as provided in **BAS 18 "Revenue Recognition"**.



**a) Interest income/Profit received-**The interest/profit receivable on unclassified loans and advances/investments is recognized quarterly on accrual basis. Interest/profit on classified advances is accounted for on a cash receipt basis.

Interest on Credit Card outstanding is calculated on daily product balance but charged on monthly basis. Interest is charged on Credit Card up to 28 December 2015. Monthly bill of Credit Card is issued on 28<sup>th</sup> day of each month.

**b) Investment income-**Interest income on investments is recognized on accrual basis.

**c) Fees and commission income-**Fees and commission income arises on services provided by the Bank and recognized on a cash receipt basis. Commission charged to customers on letter of credit and letter of guarantee are credited to income at the time effecting the transactions.

**d) Dividend income-**Dividend income from shares is recognized at the time it is realized.

**e) Interest/profit paid and other expenses-**The interest/profit paid on deposits, borrowings and other expenses are recognized on accrual basis.

## 2.22 Foreign currency transactions

- i) Functional and presentational currency-Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentational currency.
- ii) Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates".
- iii) Assets and liabilities as at 31 December 2015 in foreign currencies are converted into Taka currency at the average of the prevailing selling and buying rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD 717/2004-959 dated 21 November 2004.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/crediting to the Revaluation Account.

**Commitment:** Commitments for outstanding forward foreign exchange contracts (SWAP) disclosed in these Consolidated Financial Statements and Financial Statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

## 2.23 Taxation

### a) Provision for taxation

The Bank is considered as a publicly traded company as per the Income Tax Ordinance, 1984. Provision for Current Income Tax has been made at the existing rate of 40.00% as prescribed in the Finance Act, 2015 of the business income of the Bank after considering some of the taxable add backs of income and disallowances of expenditures.



**b) Deferred tax**

Deferred tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The Bank has recognized deferred tax in accordance with the Bangladesh Accounting Standard (BAS)-12.

**2.24 Earnings per shares (EPS)**

Earnings per share has been calculated in accordance with **BAS 33 "Earnings per Share"** which has been shown on the face of Profit and Loss Account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year. Previous year's figures have been adjusted as per guidelines of BAS 33.

**2.25 Off-balance sheet items & provisions**

As per Bangladesh Bank Guidelines Off-balance sheet items have been disclosed under contingent liabilities & other commitments. Dhaka Bank Limited has maintained provision @ 1% against off-balance sheet exposures (L/C, Guarantee and Acceptances & Endorsements) as per BRPD Circular #14 dated 23 September 2012.

**2.26 Memorandum items**

Memorandum items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Bills for Collection, Stock of Travellers cheques, Savings Certificates, Wage Earner Bonds fall under the memorandum items. However, Bills for Collection is shown under contingent liabilities as per Bangladesh Bank's format of reporting.

**2.27 Cash flow statement**

Cash Flow Statement is prepared principally in accordance with **BAS 7 "Cash Flow Statement"** and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003. The cash flow statement shows the structure of changes in cash and cash equivalents during the financial year.

**2.28 Statement of changes in equity**

Statement of Changes in Equity is prepared principally in accordance with **BAS-1 "Presentation of Financial Statements"** and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.

**2.29 Statement of liquidity**

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on 31 December 2015 and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.





Particulars	Basis used
Balance with Other Banks and Financial Institutions	Maturity Term
Investments	Respective Maturity Terms
Loans and Advances	Repayment schedule basis
Fixed Assets	Useful life
Other Assets	Realization/Amortization basis
Borrowing from Other Banks, Financial Institutions and Agents	Maturity/Repayment terms
Deposits and Other Accounts	Maturity term
Other Liabilities	Payments/Adjustments schedule basis

### 2.30 Reconciliation of inter-bank/books of accounts

Books of accounts in regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch are reconciled and no material difference was found which might effect the financial statements significantly.

Un-reconciled entries in case of inter-branch transactions as on the reporting date are not mentionable due to the time gap before finalizing the same.

### 2.31 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### 2.32 Reporting period

These financial statements cover one calendar year from 01 January to 31 December 2015.

### 2.33 Post Balance sheet event

The Board of Directors of the company in its 274<sup>th</sup> meeting held on 20 April 2016 approved the financial statements of the company for the year ended 31 December 2015 and authorized the same for the issue. The Board of Directors also recommended 10% stock and 6% cash dividend for public shareholders only for the year ended 31 December 2015 subject to approval in the next Annual General Meeting.

### 2.34 General

- Wherever considered necessary figures of previous year have been rearranged to conform to current year's presentation;
- The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the bank; and
- Figures appearing in these financial statements have been rounded off to the nearest Taka.

### 2.35 Number of employees

The number of employees engaged for the whole year or part thereof was 1,524 (Male- 1,179 & Female-345). The Bank recruited 111 numbers of staff during the year. Attrition rate is 5.70% in 2015 compared to 5.05% in 2014.

### 2.36 Compliance of disclosure on risk management with related pronouncement of Bangladesh Bank

#### i. Risk management

The financial sector of emerging economies like that of Bangladesh is undergoing a monumental and persistent change. The premier reasons for this rapid evolution are increased interaction with world economies, diversification of services and products of the clients which are of newer genre and advancement of intra-division initiatives of the financial organizations for achievement of enhanced efficiency. The resultant effect for the financial sector is a newer facet of risk phenomena, which are unique at source and requires innovative approach to deal with.

Dhaka Bank is addressing these ever-developing risk phenomena through a coordinated model of identifying the sources, assessment and control mechanism of the following core risks-

- Internal Control & Compliance Risk;
- Market Risk Management;
- Foreign Exchange Risk;
- Interest Rate Risk;
- Equity Risk;
- Credit Risk;
- Asset Liability Management Risk;
- Money Laundering Risk;
- Information and Communication Technology Security Risk;
- Internal Audit;
- Fraud and Forgeries.

The prime objective of the risk management is that the bank takes credit and business risks while safeguarding the Bank's interest from the possibility of losses, financial or otherwise. The Bank's risk management ensures internal control and compliance are adhered by all branches and divisions of Head Office. The Bank has Management Committee (MANCOM), Asset Liability Committee (ALCO), Cost Containment Committee and Credit Risk Management Committee for assessment of credit risk, foreign exchange risk, market risk, money laundering risk, reduction of operating cost etc. at Head Office level on regular basis. Above that, the Executive Committee and Audit Committee comprising of members of the Board of Directors conduct the Risk Assessment at Board level.

#### ii. Internal control and compliance risk management

With the advent of globalization vis-à-vis technological changes, banking has become more and more diversified. As the banking function entails high risk, effective internal control system, good corporate governance, transparency and accountability have become more important for banking sector worldwide. Internal control system identifies the risk inherent in the process, adopts mitigation measures and ensures compliance thereof.





As per guidelines issued by Bangladesh Bank, Dhaka Bank established an organizational structure which allows segregation of duties among key functional units. Internal Control & Compliance Division (ICCD) has been reconstructed into 4 (four) units, i.e., (i) Compliance Unit, (ii) Monitoring Unit (iii) Audit & Inspection Unit and (iv) IS/IT Audit Unit.

### **iii. Internal control & compliance**

- Integral part of the daily activities of a bank;
- Identifies the risks associated with the process followed in the effectiveness and efficiency of operations;
- Risk of compliance with applicable laws, regulations and internal policies;
- In order to mitigate the risks, effective internal controls are developed and monitored along with the Compliance Standards.

The Compliance Unit ensures that bank complies with all regulatory requirements while conducting its business. They maintain liaison with the regulators at all level and notify the other units regarding regulatory changes.

The Monitoring Unit monitors the operational performance of various branches. They collect relevant data and analyze those to assess the risks of individual unit. In case they find major deviation, they recommend to the Head of ICCD for sending Audit & Inspection Team for thorough review.

The Audit & Inspection Unit performs periodic and special audit when required. Dhaka Bank has different section within this team responsible for carrying out specific tasks.

The IS/IT Audit Unit conducts regular IS/IT audit in all branches/divisions/departments/Units of Head Office.

To achieve these objectives Dhaka Bank is gradually moving towards risk based internal audit to evaluate the risk management system and control procedures prevailing in various areas of its operation. Dhaka Bank already introduced risk based internal audit and continues the same with necessary improvements when felt necessity. In risk based audit, the audit team evaluates the level of inherent risk of individual borrower as well as the level of a particular branch on the basis of a risk matrix. The Audit Committee of the Board subsequently reviews all audit/inspections reports and instructed to take corrective measures.

### **iv. Market risk management**

#### **a) Foreign exchange risk**

To address the issue of Foreign Exchange Risk Management, all foreign exchange activities have been segregated between Front and Back Office. The issue is being addressed through various techniques so that no exposure is uncovered in any time. Dhaka Bank follows all prudential procedures for covering foreign exchange risks as per guidelines of Bangladesh Bank. Treasury Division always monitors the market scenario of risks and manages the foreign exchange operations in a way so that earnings are not hampered against any adverse movement in market prices. The foreign exchange risk is at minimum level as all the transactions are carried out on behalf of the customers against L/Cs and foreign remittances. All Nostro accounts are reconciled on monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement.



**b) Interest rate risk**

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities. Interest risk arises from mismatches between the future yield of an asset and their funding costs. Asset Liability Committee of the Bank regularly monitors the interest rate movement and Treasury division actively manages the Balance Sheet gap profitability on a regular basis.

**c) Equity risk**

Equity risk arises from movement in market value of equities held. The risks are monitored by the Basel II Implementation Unit of the Bank under a well-defined prudent investment framework.

**v. Credit risk management**

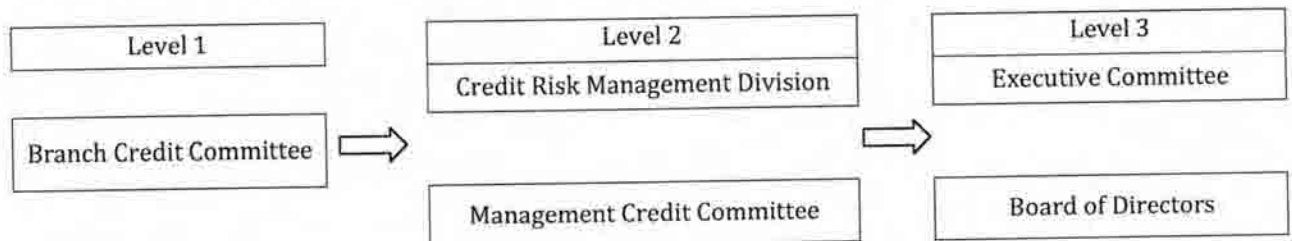
Credit Risk, broadly adverted as the uncertainty to meet financial obligations as per agreed terms and condition by the borrowers during the tenor of the credit facilities, occupies the largest constituent in the risk spectrum of financial institutions. Efficacy in credit risk management is demanded to secure the bank's asset quality as well as market reputation. Credit Risk Management largely controls the risk appetite of financial institutions as an effective risk management process of the credit facilities brings up the constancy of the growth even in the dire market situation.

Dhaka Bank Limited has formulated 2 (two) phases in managing credit risk as depicted below:

**a) Pre approval phase**

- Identifying the sources of risk;
- Assessment of the magnitude of the risk;
- Devising the terms and condition to control the risk (if feasible and supported by the Credit Risk Management Policy of the Bank).

**Credit risk management process flow at pre approval phase:**



**b) Post approval phase**

- Implementation of risk control process i.e. documentation and securitization;
- Supervision of extended facilities;
- Identification of the Red Flag borrowers;
- Addressing the Red Flag borrowers according to the prevailing regulatory framework.

### **Recent development in credit risk management**

One of the recent developments in the Bank's credit risk management has been the adoption of a revised Credit Risk Management Policy that acknowledges the metamorphosis of the stimulants of credit risk and contriving the scheme to curb the affect of the evolved scenario. The epitome of the revised Credit Risk Management policy are-

- Segregation of the clientele base of the Bank under purview of the existing regulatory framework and client's portfolio.
- Re-script bank's lending strategy i.e. expansion or contraction to various industry.
- Re-fixing the industry-wise exposure ceiling in view of the industry life cycle, economic importance and repayment record.
- Revision of the product-wise i.e. Demand, Continuous and Term Loan exposure cap.
- Restructure of the approving authority related to different types credit facilities.

### **vi. Asset liability management risk**

Dhaka Bank meets at least once a month to analyze, review and formulate strategy to manage the balance sheet of the Bank. Dhaka Bank formed Asset Liability Committee (ALCO) in March 2003. The Asset Liability Committee (ALCO) of the Bank monitors market risk and liquidity risk and at the same time it interprets the market views and competition. ALCO prepares the liquidity plan as per the maturity profile of Assets & Liabilities, review rate of interest on deposits and advances, foreign exchange position and analyzes the different financial ratios. The ALCO comprises of the Managing Director, Deputy Managing Directors, CFO, Head of IT, Head of Credit, Head of Retail, Head of Treasury and Head of Risk Management Division.

### **vii. Money laundering risk management**

Reputational Risk arises from non compliance of relevant laws and regulations related to Money Laundering by the reporting agencies as the loss of reputation and expenses incurred as penalty. Every branch has a nominated AML compliance officer who will review and evaluate the daily transactions of his branch and report to Deputy CAMLCO or CAMLCO if any abnormal / suspicious activities is detected for further analysis and reporting to Bangladesh Bank. The Bank has a Chief Anti Money Laundering Compliance Officer (CAMLCO) who is also the Deputy Managing Director-Operations at Head Office. The Bank has a Central Compliance Unit (CCU), Head Office for ensuring the compliance related to AML/CFT of all branches. CCU collects the mandatory statements related to AML/CFT from branches and submits to Bangladesh Bank after confirming the statements are in order and as per the prescribed format.

In compliance with the Money Laundering Prevention Act 2012 & Anti Terrorism Act 2009 (amended in 2012, 2013) Dhaka Bank Limited has revised its AML/CFT policy in due course. Branches has been instructed or guided to review the KYC and TP of their clients as and when requires depending upon the nature and volume of the transaction of their client to mitigate the AML risk.

Bank has prepared its money-laundering manual for applications. Training has been continuously given to all officers and executives for developing awareness and skill for identifying suspicious transactions/activities.





### **viii. Information and communication technology security risk**

Banking environment has become highly competitive now-a-days. Being able to grow and sustain in the ever-changing market scenario, banks have to use latest technologies and tools which can help in developing learner and more flexible structure that can react or respond as per the dynamics of the situation of the market. IT is also acting as an instrument of cost efficiency and effective communication with people and institutions associated with the banking business. Moreover, IT is moving from a back office function to a prime assistant in increasing the value of a bank over time. In line with these, IT Division of Dhaka Bank Ltd., has taken pro-active measures such as strengthening and standardizing banks infrastructure in respect of security, communication and networking, achieving inter branch connectivity, moving towards Real Time gross settlement (RTGS) environment etc. to face the fierce competition locally and globally.

To continue fulfilling these objectives, we have made some significant changes to IT functions so far.

#### **a) Core banking software up gradation**

Dhaka Bank is one of the forerunners in introducing a modern customer centric core banking solution named Flexcube (Oracle) in early 2004 which has served both the bank and the customer to the fullest extent. It is very evident that technology in the banking arena has been changing rapidly over the years which enabled the client reaching the bank via their handheld devices. In light of these, Dhaka Bank decided to upgrade the Core Banking Software to keep the bank abreast of the foreseeable technology change. The preparatory works and the work plan have been finalized by the Bank and the vendor. The up gradation is expected to be completed within this year. We view this as an opportunity to cater our services to the doorstep of our client.

#### **b) Central bank and internal business reporting**

Bangladesh Bank (The Central Bank of Bangladesh) has introduced a large number of reports from each commercial bank under various interval frequencies, such as, Monthly, Quarterly etc. Major portion of these reports data are extracted from the Core Banking Solution and forwarded to the respective divisions/branches to verify and place to the Central Bank.

- RIT (Rationalized Input Template): Bangladesh Bank are maintaining a SAP solution based on RS/400 system for importing data from a very critical and unique format, which is called RIT (Rationalized Input Template). IT Division is working restless to supply these data to the concerned divisions, so that it can be accommodated with the central bank system.
- go-AML: Anti-Money Laundering is a very big challenge to Bangladesh Government to support the local and international compliance. The Central Bank already changed its major architecture in both physical and software system. New software is in the project pilot phase, which requires data each month. Dhaka Bank IT prepares Cash Transaction data, Customer Data and relevant stakeholder's data each month for due submission to Bangladesh Bank.
- Online CIB: CIB is one of the most important reports for each and every Commercial Bank in Bangladesh, which reflects the borrowers' position with the Bank. Dhaka Bank IT Division extracts these data through some complex process each month and publishes it into intra-net portal.
- Import and export reporting: IT has developed application integrated with the core banking system for batch uploading of import and export information of the clients so that man-hour can be reduced and efficiency of reporting can be increased.





- Green banking activities: We have been using a high performance automated core banking software and e-mail for intra bank correspondence where no more manual banking is required. With a view to reducing the usage of hard copy statement as well as to popularize paperless banking, Dhaka Bank introduced e-statements, M-Banking, Internet Banking, ATM, ADM. Through e-statements client can view, download or print an electronic version of the statement that looks just like the paper version.

Dhaka Bank Limited is using twenty-first century's technology virtualization for Data center Server & Application. With the help of VM server Administration, scalability and recourse management has improved tremendously. Also the cost of power, cooling, space has reduced significantly.

#### **c) Network hardware redundancy at Data Center**

- Dhaka Bank IT has initiated a project to reduce network downtime at zero level by implementing auto switching between redundant hardware in the Data Center. The project will be executed in 2 phases.
- 1st Phase: In this phase network team is working to install 2 core routers where all the links from vendors will be connected. The configuration between these two routers is arranged in such a way that in case one router goes down, the other will take over all the traffic.
- 2nd Phase: In this phase 2 core firewall will be installed at Data Center with Intrusion Prevention System. After completion of this phase current firewall will be transferred to Disaster Recovery Site.

#### **d) Utilities bill payment**

Dhaka Bank Limited being a tech-savvy bank supported by state-of-the-art technology always prioritizes digitalized financial and banking services that we have been doing for more than a decade. Although we carry out formal banking operations through our 87 branch locations but virtually we are present here and there across the globe through real-time online banking, card services, internet banking, utility bill collection units, MRP & MRV Fee, WASA bill, mobile bill and remittance network.

#### **ix. Internal audit**

The internal audit function which is centrally controlled, monitors compliance with policies and standards and the effectiveness of internal control structure of the Bank. Internal Control and Compliance Division of the Bank carries out internal audit with a view to enrich the compliance culture and full control on the exertion of the Banking operations. The division directly report simultaneously to the Board Audit Committee and the Managing Director. Sometimes internal audit team conducts surprise visit to the branches. Regular monitoring has been done for the effectiveness of the control and compliance policies and procedures with the effect to evaluate the application of Internal Control System, and Internal Audit Policy, Policy for financial risk, existing rules and regulations, other obligation from regulatory authority etc.

#### **x. Fraud and forgeries**

The Bank is operating its business with the public money. As a custodian of such money, bank has to set up strong internal control structure, introduced corporate governance, practicing ethical standards in the bank for safeguard and interest of the stakeholders. Public confidence has been shaken when different types of malpractice, fraud and forgeries occurred in the banking sector. Dhaka Bank is fully aware of its responsibility towards stakeholders specially depositors.

## 2.37 Audit committee of the board of directors

### i) Particulars of audit committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular Letter No. 11 dated 27 October 2013 issued by Bangladesh Bank. The Committee was formed with the following 4 (four) members of the Board:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification
01.	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Chairman	MBA
02.	Mr. Reshadur Rahman	Chairman	Member	Graduate
03.	Mrs. Rokshana Zaman	Vice Chairperson	Member	Intermediate
04.	Mr. Tahidul Hossain Chowdhury	Director	Member	Bachelor of Arts

### ii) Meeting held with audit committee

During the year 2015, 07 (seven) Meetings of the Audit Committee of the Board were held. The Committee in these Meetings discussed the following issues and made relevant recommendations/ instructions to the Management for compliance:

- Audit Plan for the year 2015.
- Quarterly (31.12.2014, 31.03.2015, 30.06.2015 and 30.09.2015) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.17 dated November 07, 2012 of Bangladesh Bank.
- Summary of Loan Classification and Provision as on 31.12.2014, 31.03.2015, 30.06.2015 and 30.09.2015.
- Compliance Report on pending issues/items of Audit Reports of 2013 and 2014 of Branches.
- Finalization of the Audited Financial Statements-2014.
- Re-appointment of M/s. ACNABIN, Chartered Accountants as External Auditors of the Bank.
- Un-audited Quarterly (31.03.2015, 30.06.2015 and 30.09.2015) Consolidated Financial Statements of the Company and quarterly Financial Statements of the Bank.
- Classified and Written-off Loan recovery strategy.
- Status of deviations in Quarterly Operations Report for the quarter ended December 2014.
- Compliance on 16th Comprehensive Inspection Report of Dhaka Bank Limited, Head Office, Dhaka Position as at Close of Business Dated 31 December 2013 Conducted by Inspection Team of Bangladesh Bank, Head Office, Dhaka
- Compliance on 17th Comprehensive Inspection Report of Dhaka Bank Limited, Head Office, Dhaka Position as at Close of Business Dated 31 December 2014 Conducted by Inspection Team of Bangladesh Bank, Head Office, Dhaka
- Summary Report on the Audit Findings & Corrective Measures taken thereon of Dhaka Bank Limited for the Year-2014.



Steps taken for implementation on effective internal control procedure of the Bank

The Committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within the organization.

### 2.38 Shariah supervisory committee

The name of Shariah Council Committee has been changed as Shariah Supervisory Committee according to BRPD Circular No.15 dated 09.11.2009 of Bangladesh Bank. The Executive Committee of the Board of Directors constituted the Shariah Supervisory Committee of Dhaka Bank Limited. The members are as follows:

Sl. No	Name	Designation	Status	Date of Birth	Education Qualification
1	M. Azizul Huq	Chairman	1 <sup>st</sup> CEO of IBBL	16.10.1935	MA (Economics)
2	Prof. Mowlana Mohammad Salahuddin	Member (Faqih)	Khatib of National Mosque, Baitul Mukarram	01.11.1944	Kamil, MA
3	Md. Mokhlesur Rahman	Member (Faqih)	Member Secretary, Shariah Supervisory Committee, Union Bank Ltd.	28.02.1975	Kamil, MA
4	Hafej Mawlana Abdul Gaffar	Member (Faqih)	Imam & Khatib, Shahidbag Jame Mosque & Vice Principal, Madrasa Jamiatul Uloomil Islamia, Tejgoan, Dhaka	05.11.1960	Takmil, Darul Ulum Dewband, UP, India
5	Syed Mahbubur Rahman	Member (Ex-Officio)	Managing Director & CEO, Dhaka Bank Ltd.	16.02.1962	MBA, IBA, University of Dhaka
6	Md. Sirajul Hoque	Member Secretary	EVP & Head of Islamic Banking Division	18.10.1960	B. Com. (Honours) M. Com. (Accounting) CA, CC

During the year 2015, the following issues were discussed in the meetings:

- Purchase of AAOIFI Standards for Islamic Banking.
- Approval on appointment of Buying Agent Rules during Investment of Islamic Banking.
- Approval of Islamic Investment Policy of Islamic Banking Operations.
- Discussion on Shariah Inspection Report of Islamic Banking Branches (IBBs) as on dated 30.12.2014
- Discussion on Quard Policy against Mudaraba Term Deposit.
- Approval of Expense Heads of Compensation & Doubtful Income.
- Decision of publishing a Booklet on Muamalat of Daily lives regarding Islamic Solutions.
- Decision of arrangement a Workshop for Executives / Officials of the Bank by Central Shariah Board.
- Approval of Shariah Supervisory Committee Opinion for publication in Bank's Annual Report, 2014
- Approval of final rates on various Mudaraba Deposits on the basis of weight age.
- Discussion on separate Islamic Banking Software for Islamic Banking Operations.
- Maintenance of Compensation GL separately from Income Account
- Other shariah related issues.



### 2.39 Information about segment reporting

The bank operates under the following business segments:

Particulars	Conventional	Islamic	OBU	DBL Securities	Dhaka Bank Investment	Total
Total Operating Income	6,709,427,625	50,929,419	133,300,850	272,862,568	11,712,213	6,994,002,406
Allocated Expenses	3,205,194,514	49,430,444	18,047,598	70,285,854	117,300	3,275,597,668
Operating Profit (Before Tax & Provision)	3,504,233,111	1,498,976	115,253,252	202,576,714	11,594,913	3,718,404,738
Total Provision (Loans/Advances & Others)	1,128,242,099	-	7,824,205	102,021,410	-	1,230,263,509
Profit Before Tax	2,375,991,012	1,498,976	107,429,047	100,555,304	11,594,913	2,488,141,229
Provision for Income Tax	950,000,000	-	-	33,173,843	4,058,220	987,232,062
Net Profit	1,425,991,012	1,498,976	107,429,047	67,381,461	7,536,693	1,500,909,167
Segment Assets	171,903,600,903	8,262,809,306	3,054,048,811	5,035,910,452	275,467,105	177,214,978,460
Segment Liabilities	171,903,600,903	8,262,809,306	3,054,048,811	5,035,910,452	275,467,105	177,214,978,460

The operations of these segments are specifically identified by Income, expenses, assets and Liabilities. Based on such allocation, segment balance sheet as at 31 December 2015 and segmental profit and loss account for the year ended 31 December 2015 have been prepared.

## 2.40 Compliance with financial reporting standards as applicable in Bangladesh

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Financial Reporting Standards (BFRS). While reporting the financial statements, Dhaka Bank Limited applied all the applicable of BAS and BFRS as adopted by ICAB. Details are given below:

Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied *
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Balance Sheet Date	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchanges Rates	Complied
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Complied
17	27	Separate Financial Statements	Complied
18	28	Investment in Associates	Not Applicable
19	31	Interest in Joint Venture	Not Applicable
20	32	Financial Instruments: Presentation	Complied *
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied *
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable



Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time Adoption of Bangladesh Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance contracts	Not Applicable
5	5	Non-Current Assets Held for Sale and Discontinued Operations	Complied
6	6	Exploration for and Evaluation of Mineral	Not Applicable
7	7	Financial Instruments: Disclosures	Complied *
8	8	Operating Segments	Complied
9	10	Consolidated Financial Statements	Complied
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interest in other Entities	Complied
12	13	Fair Value Measurement	Complied

\* Subject to departure disclosed in note no. 2.1.1

\* In order to comply with certain specific rules and regulations of the Central Bank (Bangladesh Bank) which are different from BAS/BFRS, some of the requirements specified in these BAS/BFRSs are not applied.



		31.12.2015 Taka	31.12.2014 Taka
<b>3. Cash</b>			
Cash in hand	(Note: 3.1)	1,543,599,084	1,395,090,440
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2)	13,422,713,525	14,505,763,632
		<b>14,966,312,609</b>	<b>15,900,854,072</b>
<b>3(a) Consolidated Cash</b>			
Dhaka Bank Limited	(Note: 3)	14,966,312,609	15,900,854,072
Dhaka Bank Securities Limited		109,500	109,500
Dhaka Bank Investment Limited		-	-
		<b>14,966,422,109</b>	<b>15,900,963,572</b>
<b>3.1 Cash in hand</b>			
In local currency		1,507,169,880	1,347,423,429
In foreign currencies		36,429,204	47,667,011
		<b>1,543,599,084</b>	<b>1,395,090,440</b>
Cash in hand (local currency) includes balance of cash held at Automated Teller Machine (ATM) of Tk.68,066,000 as on 31.12.2015.			
<b>3.1(a) Consolidated Cash in hand</b>			
Dhaka Bank Limited	(Note: 3.1)	1,543,599,084	1,395,090,440
Dhaka Bank Securities Limited		109,500	109,500
Dhaka Bank Investment Limited		-	-
		<b>1,543,708,584</b>	<b>1,395,199,940</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>			
Balance with Bangladesh Bank			
In local currency		8,717,693,496	8,515,756,575
Conventional		8,277,058,032	8,228,477,074
Al-Wadiah current account		440,635,463	287,279,501
In foreign currencies		4,577,955,675	5,882,421,520
		13,295,649,171	14,398,178,095
Balance with Sonali Bank as agent of Bangladesh Bank		127,064,354	107,585,537
		<b>13,422,713,525</b>	<b>14,505,763,632</b>
As per Bangladesh Bank circulars/guidelines, balance with Bangladesh Bank is a part of cash and cash equivalent regardless of any restriction. However, to meet up the foreign currency liabilities of the bank, the cover fund against the liabilities has been kept and booked in Bangladesh Bank FC Clearing Account as well as Nostro Bank Accounts.			
<b>3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)</b>			
Dhaka Bank Limited	(Note: 3.2)	13,422,713,525	14,505,763,632
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>13,422,713,525</b>	<b>14,505,763,632</b>
<b>3.3 Statutory deposits</b>			
Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 and BCD Circular No.13 dated 24.05.1992, BRPD Circular No.12 dated 20.09.1999 & BRPD Circular No.22 dated 06.11.2003, BRPD Circular No. 12 dated 25.08.2005, MPD Circular No. 04, dated 01.12.2010, MPD Circular No.05 dated 01.12.2010 and MPD Circular No.01 dated 23.06.2014.			

**3.3.1 Cash Reserve Ratio (CRR)**
**Conventional banking**

(6.50% of Average Demand and Time Liabilities)

 Required reserve  
 Actual reserve maintained  
**Surplus**

	31.12.2015 Taka	31.12.2014 Taka
Required reserve	8,034,850,226	7,522,321,339
Actual reserve maintained	8,066,948,979	7,677,576,428
<b>Surplus</b>	<b>32,098,753</b>	<b>155,255,089</b>

**Required**  
**Maintained**

 6.50%                      6.50%  
 6.53%                      6.63%

**Islamic banking**

(6.50% of Average Demand and Time Liabilities)

 Required reserve  
 Actual reserve maintained  
**Surplus**

Required reserve	365,513,083	244,205,195
Actual reserve maintained	394,164,875	356,169,961
<b>Surplus</b>	<b>28,651,792</b>	<b>111,964,766</b>

**Required**  
**Maintained**

 6.50%                      6.50%  
 7.01%                      9.48%

**3.3.2 Statutory Liquidity Ratio (SLR)**
**Conventional banking**

(13% of Average Demand &amp; Time Liabilities )

 Required reserve  
 Actual reserve maintained  
**Surplus**

Required reserve	16,069,700,452	15,044,642,678
Actual reserve maintained	21,183,070,043	20,416,814,714
<b>Surplus</b>	<b>5,113,369,591</b>	<b>5,372,172,036</b>

**Required**  
**Maintained**

 13.00%                      13.00%  
 17.14%                      17.64%

**Islamic banking**

(5.50% of Average Demand and Time Liabilities)

 Required reserve  
 Actual reserve maintained  
**Surplus**

Required reserve	309,280,301	206,635,165
Actual reserve maintained	415,540,383	316,241,205
<b>Surplus</b>	<b>106,260,082</b>	<b>109,606,040</b>

**Required**  
**Maintained**

 5.50%                      5.50%  
 7.39%                      8.42%

**Held for Statutory Liquidity Ratio (Conventional)**

 Cash in hand  
 Balance with Bangladesh Bank and its agent Bank(s) over CRR  
 Government securities (excluding Assured Liquidity Support)  
 Others

Cash in hand	1,513,181,000	1,368,140,000
Balance with Bangladesh Bank and its agent Bank(s) over CRR	366,662,438	943,429,480
Government securities (excluding Assured Liquidity Support)	19,303,226,605	18,105,245,234
Others	-	-
<b>21,183,070,043</b>	<b>21,183,070,043</b>	<b>20,416,814,714</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>Held for Statutory Liquidity Ratio (Islamic)</b>		
Cash in hand	30,418,000	26,808,000
Balance with Bangladesh Bank and its agent Bank(s) over CRR	55,122,383	39,433,205
Government securities (excluding Assured Liquidity Support)	330,000,000	250,000,000
Others	-	-
	<b>415,540,383</b>	<b>316,241,205</b>
<b>3.4 Maturity grouping of cash</b>		
On demand	14,966,312,609	15,900,854,072
Upto 1 month	-	-
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 6 months	-	-
Over 6 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	<b>14,966,312,609</b>	<b>15,900,854,072</b>
<b>4. Balance with other banks and financial institutions</b>		
In Bangladesh (Note: 4.1)	6,691,817,231	2,075,818,703
Outside Bangladesh (Note: 4.2)	3,488,208,961	4,143,878,648
	<b>10,180,026,192</b>	<b>6,219,697,351</b>
<b>4(a) Consolidated balance with other banks and financial institutions</b>		
In Bangladesh (Note: 4.1(a))	6,724,351,465	2,542,023,266
Outside Bangladesh (Note: 4.2(a))	3,488,208,961	4,143,878,648
	<b>10,212,560,426</b>	<b>6,685,901,914</b>
<b>4.1 In Bangladesh</b>		
<b>Current Deposits</b>		
Sonali Bank Limited	88,186,671	87,631,597
Janata Bank Limited	1,759,766	50,214,002
Southeast Bank Limited	222,814	696,964
Standard Chartered Bank (Visa Settlement)	6,165,219	14,991,583
Brac Bank Limited	540,786	11,737,187
Agrani Bank Limited	29,985,615	11,848,864
AB Bank Limited	-	1,470,304
Dutch Bangla Bank Limited	85,780	14,698,979
Islami Bank Bangladesh Limited	11,754,284	23,767,846
United Commercial Bank Limited	1,781,939	418,089
	<b>140,482,874</b>	<b>217,475,415</b>
<b>Special Notice Deposits (SND)</b>		
Janata Bank Limited	5,250,723	30,141,363
Dutch Bangla Bank Limited	8,182,060	8,156,387
Sonali Bank Limited	63,293	61,348
AB Bank Limited	169,029	524,080
Agrani Bank Limited	8,202,643	-
National Bank Limited	990,958	660,458
	<b>22,858,705</b>	<b>39,543,636</b>



**Fixed Deposits****Commercial Banks**

Social Islami Bank Limited
Al-Arafah Islami Bank Limited
Eastern Bank Limited
AB Bank Limited
Premier Bank Limited
BRAC Bank Limited
Trust Bank Limited
The City Bank Limited

31.12.2015 Taka	31.12.2014 Taka
395,000,000	300,000,000
-	1,200,000,000
1,580,000,000	-
2,370,000,000	-
395,000,000	-
395,000,000	-
395,000,000	-
790,000,000	-
<b>6,320,000,000</b>	<b>1,500,000,000</b>

**Financial Institutions**

Phoenix Finance and Investment Limited
Peoples Leasing Company Limited

193,475,652	203,799,652
15,000,000	115,000,000
<b>208,475,652</b>	<b>318,799,652</b>
<b>6,691,817,231</b>	<b>2,075,818,703</b>

**4.1(a) Consolidated In Bangladesh**

Dhaka Bank Limited
Dhaka Bank Securities Limited
Dhaka Bank Investment Limited
Less: Inter company transaction

(Note: 4.1)

6,691,817,231	2,075,818,703
238,008,858	204,820,305
271,922,950	261,384,258
7,201,749,038	2,542,023,266
477,397,573	-
<b>6,724,351,465</b>	<b>2,542,023,266</b>

**4.2 Outside Bangladesh (Nostro Accounts)****Current Deposits**

Standard Chartered Bank, New York
Mashreq Bank, New York
Habib American Bank, New York, OBU
Commerz Bank, Frankfurt
Habib American Bank
Wells Fargo Bank N.A., New York
Standard Chartered Bank, New York, OBU
Wachovia Bank NA, New York
JP Morgan Chase Bank NA
Standard Chartered Bank, Mumbai
Sonali Bank, Kolkata
AB Bank Mumbai
Nepal Bangladesh Bank
Sampath Bank, Srilanka
Bhutan National Bank
Bank of Bhutan
Habib Metropolitan Bank Ltd. Pakistan
Dhaka Bank OBU Nostro
ICICI Bank Limited, India
Mashreq Bank, Mumbai
Union Bank of Switzerland
Commerz Bank, Frankfurt
Standard Chartered Bank, Frankfurt
Unicredit S.P.A. Milano

1,481,455,651	1,125,184,836
129,576,119	201,990,836
-	29,182,037
65,502,249	144,104,057
156,064,898	395,954,575
214,703,944	-
522,548,757	-
-	293,027,253
147,730,957	544,074,322
65,887,763	(13,834,731)
9,664,979	5,086,901
36,081,514	16,754,866
641,776	636,090
10,780,910	3,953,786
1,128,212	1,118,216
2,438,694	171,441
21,216,962	25,098,512
474,000,000	1,221,480,000
33,120,644	6,102,069
12,784,603	36,263,313
6,579,896	6,307,181
31,268,456	13,255,758
10,436,265	28,559,876
4,002,601	3,631,661

31.12.2015 Taka	31.12.2014 Taka
-	4,066,026
3,159,217	-
7,624,977	16,912,973
29,879,383	24,832,219
-	1,578,461
4,184,444	-
5,745,088	8,386,116
<b>3,488,208,961</b>	<b>4,143,878,648</b>

Commonwealth Bank of Australia, Sydney  
 Commerz Bank, Frankfurt  
 Standard Chartered Bank, Japan  
 Standard Chartered Bank, London  
 Bank of Nova Scotia  
 Commerz Bank, Frankfurt  
 Al-Rajhi Bank, Kingdom of Saudi Arabia

(Details are given in Annexure - A)

In order to meet up the foreign currency liabilities of the bank, the cover fund against the liabilities has been kept and booked in Nostro Bank Accounts as well as Bangladesh Bank Foreign Currency Clearing Account. All balances of Nostro Accounts have been reconciled.

#### 4.2(a) Consolidated outside Bangladesh (Nostro Accounts)

Dhaka Bank Limited	(Note: 4.2)	3,488,208,961	4,143,878,648
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>3,488,208,961</b>	<b>4,143,878,648</b>

#### 4.3 Account-wise/grouping of balance with other banks and financial institutions

Current Deposits	3,628,691,835	4,361,354,063
Short-Notice Deposits	22,858,705	39,543,636
Fixed Deposits	6,528,475,652	1,818,799,652
	<b>10,180,026,192</b>	<b>6,219,697,351</b>

#### 4.4 Maturity grouping of balances with other banks and financial institutions

On demand	3,628,691,835	4,361,354,063
Upto 1 month	22,858,705	39,543,636
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 6 months	6,320,000,000	1,500,000,000
Over 6 months but not more than 1 year	208,475,652	318,799,652
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	<b>10,180,026,192</b>	<b>6,219,697,351</b>

#### 5. Money at call and on short notice

With banking companies	(Note: 5.1)	15,300,000	18,300,000
With non-banking financial institutions	(Note: 5.2)	-	430,000,000
		<b>15,300,000</b>	<b>448,300,000</b>

#### 5(a) Consolidated money at call and on short notice

Dhaka Bank Limited	(Note: 5)	15,300,000	448,300,000
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>15,300,000</b>	<b>448,300,000</b>

		31.12.2015 Taka	31.12.2014 Taka
<b>5.1 With banking companies</b>			
AB Bank Limited		-	-
BRAC Bank Limited		-	-
ICB Islamic Bank Limited		15,300,000	18,300,000
		<b>15,300,000</b>	<b>18,300,000</b>
<p>ICB Islamic Bank Limited has been repaying their liabilities phase by phase under "The Oriental Bank Limited (Reconstruction) Scheme, 2007" as per Bangladesh Bank instructions vide Ref : BRPD(R-1)651/9(10)2007-446 dated 02.08.2007.</p>			
<b>5.2 With non-banking financial institutions</b>			
Lanka Bangla Finance Ltd.		-	80,000,000
Delta Brac Housing Finance Corp. Ltd.		-	150,000,000
Industrial Promotion & Development Co. of Bangladesh Ltd.		-	100,000,000
Industrial & Infrastructure Development Finance Co. Ltd.		-	100,000,000
		-	<b>430,000,000</b>
<b>5.3 Maturity grouping of money at call &amp; short notice</b>			
On demand		-	430,000,000
Upto 1 month		-	-
Over 1 month but not more than 3 months		-	-
Over 3 months but not more than 6 months		-	-
More than 6 months but less than 1 year		-	-
More than 1 year but less than 5 years		-	-
More than 5 years		15,300,000	18,300,000
		<b>15,300,000</b>	<b>448,300,000</b>
<b>6. Investments</b>			
Government securities	(Note: 6.1)	19,637,850,305	18,358,963,884
Other investments	(Note: 6.2)	1,161,237,635	1,339,891,277
		<b>20,799,087,940</b>	<b>19,698,855,161</b>
<b>6(a) Consolidated investments</b>			
Dhaka Bank Limited	(Note: 6)	20,799,087,940	19,698,855,161
Dhaka Bank Securities Limited		2,273,836,150	1,962,110,178
Dhaka Bank Investment Limited		-	-
		<b>23,072,924,090</b>	<b>21,660,965,339</b>
<b>6.1 Government securities</b>			
Treasury bills	(Note: 6.1.1)	-	970,330,700
Treasury bonds	(Note: 6.1.2)	19,303,226,605	17,134,914,534
Government islamic bond		330,000,000	250,000,000
Prize bond		4,623,700	3,718,650
		<b>19,637,850,305</b>	<b>18,358,963,884</b>
<b>6.1(a) Consolidated government securities</b>			
Dhaka Bank Limited	(Note: 6.1)	19,637,850,305	18,358,963,884
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>19,637,850,305</b>	<b>18,358,963,884</b>



	31.12.2015 Taka	31.12.2014 Taka
<b>6.1.1 Treasury Bills</b>		
28 days Treasury Bills	-	-
30 days Treasury Bills	-	-
91 days Treasury Bills	-	211,364,799
182 days Treasury Bills	-	298,496,931
364 days Treasury Bills	-	460,468,970
	<b>-</b>	<b>970,330,700</b>

<b>6.1.2 Treasury Bonds</b>		
2 years Bangladesh Government Treasury Bond	1,078,263,045	2,254,313,429
5 years Bangladesh Government Treasury Bond	6,478,766,460	7,685,008,514
10 years Bangladesh Government Treasury Bond	9,606,145,066	6,267,836,050
15 years Bangladesh Government Treasury Bond	1,913,477,026	701,189,691
20 years Bangladesh Government Treasury Bond	226,575,008	226,566,851
	<b>19,303,226,605</b>	<b>17,134,914,534</b>

<b>6.2 Other investments</b>		
Investment in shares (Note: 6.2.1)	239,737,635	670,891,277
Investment in subordinated bonds (Note: 6.2.2)	521,500,000	569,000,000
Commercial Paper (Butterfly Marketing Ltd. and Doreen Power Generations & Systems Ltd.)	400,000,000	100,000,000
	<b>1,161,237,635</b>	<b>1,339,891,277</b>

As per DOS Circular No.02 dated 16 September 2013 of Bangladesh Bank, the total market value of investment in the capital market of any bank can not be exceeded 25% of the total amount of paid up capital, share premium account, statutory reserve and retained earnings of the bank. This exposure has to be reduced to the allowable limit by 21 July 2016. To comply with the guidelines of the Bangladesh Bank, the portfolio investment reduced from Tk.44 crore to Tk.1.37 crore by adjustment with provision account during the year 2015.

<b>6.2(a) Consolidated other investments</b>		
Dhaka Bank Limited (Note: 6.2)	1,161,237,635	1,339,891,277
Dhaka Bank Securities Limited	2,273,836,150	1,962,110,178
Dhaka Bank Investment Limited	-	-
	<b>3,435,073,785</b>	<b>3,302,001,455</b>

<b>6.2.1 Shares</b>		
Quoted (Publicly Traded)	13,737,635	444,891,277
Unquoted	226,000,000	226,000,000
	<b>239,737,635</b>	<b>670,891,277</b>

(Details are given in Annexure - B)

<b>6.2.2 Investment in subordinated bonds</b>		
MTBL subordinated bond	142,500,000	190,000,000
Mercantile Bank subordinated bond	300,000,000	300,000,000
The City Bank subordinated bond	79,000,000	79,000,000
	<b>521,500,000</b>	<b>569,000,000</b>

Dhaka Bank Limited invested in MTBL Subordinated bond, Mercantile Bank subordinated bond and The City Bank subordinated bond on 23 September 2010, 29 June 2014 and on 21 October 2014 respectively. The redemption of MTBL Subordinated bond has already started on 30 September 2015 and the redemption of Mercantile Bank subordinated bond and The City Bank subordinated bond will be started on 30 June 2017 and 21 October 2017.

**6.3 Investment in securities are classified as per Bangladesh Bank Circular**
**Held for Trading (HFT)**

	31.12.2015 Taka	31.12.2014 Taka
28 days Treasury Bills	-	-
30 days Treasury Bills	-	-
91 days Treasury Bills	-	211,364,799
182 days Treasury Bills	-	298,496,931
364 days Treasury Bills	-	460,468,970
2 years Bangladesh Government Treasury Bond	1,029,555,070	1,018,843,695
5 years Bangladesh Government Treasury Bond	1,678,121,262	2,877,942,688
10 years Bangladesh Government Treasury Bond	2,806,514,632	572,247,607
15 years Bangladesh Government Treasury Bond	607,013,245	-
	<b>6,121,204,208</b>	<b>5,439,364,690</b>

**Held to Maturity (HTM)**

28 days Treasury Bills	-	-
30 days Treasury Bills	-	-
91 days Treasury Bills	-	-
182 days Treasury Bills	-	-
364 days Treasury Bills	-	-
2 years Bangladesh Government Treasury Bond	48,707,976	1,235,469,734
5 years Bangladesh Government Treasury Bond	4,800,645,198	4,807,065,825
10 years Bangladesh Government Treasury Bond	6,799,630,434	5,695,588,443
15 years Bangladesh Government Treasury Bond	1,306,463,781	701,189,691
20 years Bangladesh Government Treasury Bond	226,575,008	226,566,851
	<b>13,182,022,397</b>	<b>12,665,880,544</b>
	<b>19,303,226,605</b>	<b>18,105,245,234</b>

**6.4 Assets pledged as security**
**Assets in the amounts shown below were pledged as security for the following liabilities**

Liabilities to bank	-	-
Liabilities to customers	-	-
	-	-

**Following assets were pledged as security for the above mentioned liabilities**

Claim on banks	-	-
Claim on customers	-	-
	-	-

**6.5 Maturity grouping of investments**

On demand	244,361,335	674,609,927
Over 3 months but not more than 6 months	-	211,364,799
More than 6 months but less than 1 year	400,000,000	858,965,901
Over 1 year but not more than 5 years	8,408,529,506	10,758,321,943
Over 5 years	11,746,197,100	7,195,592,591
	<b>20,799,087,940</b>	<b>19,698,855,161</b>

		31.12.2015 Taka	31.12.2014 Taka
<b>7. Loans, advances and lease/Investments including bills purchased and discounted</b>			
Loans, cash credits, overdrafts, etc./Investments	(Note: 7.1)	115,445,516,023	100,903,755,848
Bills purchased and discounted	(Note: 8)	2,394,649,940	2,227,763,426
		<b>117,840,165,963</b>	<b>103,131,519,274</b>
<b>7(a) Consolidated loans, advances and lease/Investments including bills purchased and discounted</b>			
Dhaka Bank Limited	(Note: 7)	117,840,165,963	103,131,519,274
Dhaka Bank Securities Limited		2,403,412,251	2,350,692,682
Dhaka Bank Investment Limited		-	-
		120,243,578,214	105,482,211,956
Less: Inter company transaction		2,059,097,699	1,878,000,000
		<b>118,184,480,515</b>	<b>103,604,211,956</b>
<b>7.1 Loans, cash credits, overdrafts, etc./Investments</b>			
<b>Broad category-wise breakup</b>			
In Bangladesh			
Secured Overdraft/Quard		30,151,740,757	25,895,003,987
Cash Credit/Murabaha		8,471,869,368	8,176,502,757
House Building Loan		835,072,341	1,080,623,916
Transport Loan		884,930,592	915,394,422
Term Loan		36,750,405,359	33,244,080,791
Loan Against Trust Receipt		7,859,726,531	6,881,708,187
Payment Against Documents		102,705,800	121,531,907
Loan Against Imported Merchandize		63,557,902	292,899,560
Loan Against Accepted Bills		1,133,675,558	751,613,813
Packing Credit		290,005,594	122,416,440
Lease Finance / Izara	(Note: 7.3)	1,938,276,474	1,749,862,740
Credit Card		268,687,414	235,372,143
Retail Loan		622,316,670	1,595,885,762
Other Loans (Including Bai-Muajjal)		26,072,545,664	19,840,859,423
		115,445,516,023	100,903,755,848
Outside Bangladesh		-	-
		<b>115,445,516,023</b>	<b>100,903,755,848</b>
<b>7.1(a) Consolidated loans, cash credits, overdrafts, etc./Investments</b>			
Dhaka Bank Limited	(Note: 7.1)	115,445,516,023	100,903,755,848
Dhaka Bank Securities Limited		2,403,412,251	2,350,692,682
Dhaka Bank Investment Limited		-	-
		117,848,928,274	103,254,448,530
Less: Inter company transaction		2,059,097,699	1,878,000,000
		<b>115,789,830,575</b>	<b>101,376,448,530</b>





	31.12.2015 Taka	31.12.2014 Taka
<b>7.2 Residual maturity grouping of loans including bills purchased and discounted</b>		
Repayable on demand	33,519,902,061	24,386,265,223
Upto 1 month	18,196,221,860	16,052,005,497
Not more than 3 months	11,012,146,544	9,059,741,091
More than 3 months but not more than 6 months	11,339,858,145	11,839,358,759
More than 6 months but not more than 1 year	17,544,452,596	16,745,341,233
More than 1 year but not more than 5 years	23,989,080,249	22,158,953,293
More than 5 years	2,238,504,508	2,889,854,178
	<b>117,840,165,963</b>	<b>103,131,519,274</b>
<b>7.3 Investment in lease/ izara finance</b>		
Lease rental receivable within 1 year	995,518,887	804,187,183
Lease rental receivable more than 1 year	1,176,677,886	1,222,839,776
<b>Total lease/ izara rental receivable</b>	<b>2,172,196,773</b>	<b>2,027,026,959</b>
Less: unearned interest/profit receivable	233,920,299	277,164,219
<b>Net investment in lease/izara finance</b>	<b>1,938,276,474</b>	<b>1,749,862,740</b>
<b>7.4 Product wise loans and advances</b>		
Loans	76,821,905,898	66,832,249,104
Cash Credits	8,471,869,368	8,176,502,757
Overdrafts	30,151,740,757	25,895,003,987
Bills purchased and discounted (Note: 8)	2,394,649,940	2,227,763,426
	<b>117,840,165,963</b>	<b>103,131,519,274</b>
<b>7.5 Loans on the basis of significant concentration including bills purchased &amp; discounted</b>		
a. Advances to allied concerns of directors (Note: 7.5.1)	3,805,974	2,062,493
b. Advances to chief executive	-	208,325
c. Advances to other senior executives	169,533,508	148,986,478
d. <u>Advances to customer's group:</u>		
Agriculture loan	545,749,021	1,694,224,767
Commercial lending	73,548,157,735	62,021,821,819
Export financing	8,108,727,876	7,224,769,131
Consumer credit scheme	1,367,751,687	1,306,557,535
Small and Medium Enterprise (SME)	12,218,670,366	10,648,851,988
Staff Loan	684,472,899	714,351,851
Others	21,193,296,896	19,369,684,887
	<b>117,840,165,963</b>	<b>103,131,519,274</b>
<b>7.5.1</b> The amount represents loan in the name of existing directors of the bank.		
<b>7.6 Advances to customers for more than 10% of bank's total capital</b>		
Number of customers	9	9
Amount of outstanding loans and advances*	19,693,159,944	17,699,718,558
Amount of classified loans and advances	-	-
Measures taken for recovery	-	-
*The amount represents the sum of total loans and advances (both funded and non funded) to each customer exceeding 10% of total capital of the bank as at 31 December 2015.		
(Details are given in Annexure - C)		

**7.7 Industry-wise loans, advances and lease/investments**

Agricultural
Pharmaceuticals
Textile & Garment
Chemical
Food & allied
Transport & Communication
Electronics & Automobile
Housing & Construction
Engineering & Metal Industries including Ship Breaking
Energy & Power
Service
Others

31.12.2015 Taka	31.12.2014 Taka
545,749,021	1,694,224,767
919,361,643	1,016,224,020
28,868,185,700	26,519,956,341
1,517,557,877	1,321,388,059
6,909,703,499	5,048,209,415
3,640,581,919	3,371,503,504
1,854,823,252	1,170,502,905
14,891,062,355	12,900,384,117
14,120,490,692	11,223,049,895
3,846,752,830	2,487,726,838
5,392,482,749	3,677,802,112
35,333,414,426	32,700,547,301
<b>117,840,165,963</b>	<b>103,131,519,274</b>

**7.8 Geographical location-wise (division) distribution**
**Urban**

Dhaka Region
Chittagong Region
South Region
North Region
Sylhet Region
Other

75,219,992,923	64,046,181,001
24,553,795,595	21,955,248,508
2,273,912,290	2,052,232,073
2,517,193,891	2,182,825,525
687,782,539	612,592,488
4,618,092,406	4,312,440,518
<b>109,870,769,645</b>	<b>95,161,520,113</b>

**Rural**

Dhaka Region
Chittagong Region
South Region
North Region
Sylhet Region
Other

4,175,519,710	4,645,612,095
1,058,934,323	939,204,024
-	-
1,169,721,084	962,432,212
139,358,691	140,471,982
1,425,862,511	1,282,278,848
<b>7,969,396,319</b>	<b>7,969,999,161</b>
<b>117,840,165,963</b>	<b>103,131,519,274</b>

**7.9 Sector-wise loans, advances and lease/investments**

Government & autonomous bodies
Financial institutions (Public & Private)
Private sector

82,653,671	122,951,277
447,695,043	637,993,673
117,309,817,249	102,370,574,324
<b>117,840,165,963</b>	<b>103,131,519,274</b>

**7.10 Classification of loans, advances and lease/investments**
**Unclassified**

Standard
Special Mention Account

108,070,088,301	94,215,418,510
4,279,428,342	3,258,845,401
<b>112,349,516,643</b>	<b>97,474,263,911</b>

**Classified**

Sub-Standard
Doubtful
Bad or loss

1,236,020,456	688,524,510
265,358,725	496,348,474
3,989,270,139	4,472,382,379
<b>5,490,649,320</b>	<b>5,657,255,363</b>
<b>117,840,165,963</b>	<b>103,131,519,274</b>

31.12.2015 Taka	31.12.2014 Taka
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**7.11 A) Provision required for loans and advances**

<u>Status</u>	<u>Base for Provision</u>	<u>Rate %</u>		
<b>Unclassified</b>				
Unclassified	10,437,124,047	0.25	26,092,810	23,196,614
Unclassified*	90,915,245,951	1*	2,195,315,321	1,309,414,966
Unclassified	2,452,572,414	2	49,051,448	43,756,399
Unclassified	141,707,054	2.5	3,542,676	20,286,415
Unclassified	534,008,145	5	26,700,407	21,164,808
Special Mention Account	326,671,196	0.25	816,678	707,481
Special Mention Account	3,923,526,261	1	39,235,263	29,419,319
Special Mention Account	12,920,060	2	258,401	283,898
Special Mention Account	16,310,825	5	815,541	986,308
			<b>2,341,828,546</b>	<b>1,449,216,208</b>
<b>Classified:</b>				
Sub-Standard	265,396	5	13,270	-
Sub-Standard	627,876,475	20	125,575,295	66,868,892
Doubtful	67,177,956	50	33,588,978	96,424,009
Bad or loss	1,743,521,183	100	1,743,521,183	1,957,012,154
			<b>1,902,698,726</b>	<b>2,120,305,055</b>
Required provision for loans & advances			<b>4,244,527,272</b>	<b>3,569,521,263</b>
Total provision maintained			<b>4,244,527,272</b>	<b>3,569,521,263</b>
<b>Excess / short provision as at 31 December</b>			<b>-</b>	<b>-</b>

\* Liabilities of 18 (Eighteen) number of clients have been shown as UC instead of BL and SS under Writ Petition. Tk. 80.82 crore provision (Outstanding amount is Tk. 281.27 crore and base for provision is Tk. 120.43 crore) has been kept against the said clients. Tk. 80.82 crore provision is included within unclassified corporate advances and Tk. 51.13 crore additional provision (Outstanding amount is Tk. 326.09 crore and base for provision is Tk.213.39 crore) is maintained for 2 (Two) number of "UC" clients. Tk. 51.13 crore provision is also included within unclassified corporate advances.

Provision on loans and advances amended as per Bangladesh Bank Inspection Report submitted in Tripartite Meeting as well as subsequent instruction letters of BB. CI. has been rectified accordingly.

**B) Provision for good borrower** 1,254,000 -

Provision for good borrower has been kept following the BRPD Circular No. 06, dated 19 March 2015 & BRPD Circular Letter No. 03, dated 16 February 2016.

**C) Provision required for off-balance sheet exposures**

<u>Status</u>	<u>Base for provision</u>	<u>Rate %</u>		
Acceptances and Endorsements	14,225,611,128	1	142,256,111	137,560,659
Letter of Credit	14,238,167,995	1	142,381,680	130,422,033
Letter of Guarantee	14,194,068,714	1	141,940,687	130,857,486
<b>Required provision</b>			<b>426,578,478</b>	<b>398,840,178</b>
Total Provision Maintained			<b>426,578,478</b>	<b>398,840,178</b>
<b>Excess / (Short) provision as at 31 December</b>			<b>-</b>	<b>-</b>



31.12.2015 Taka	31.12.2014 Taka
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**7.12 Securities against loans including bills purchased & discounted**
**a. Secured**

Collateral of movable / immovable assets	107,938,829,796	94,790,580,737
Local banks & financial institutions guarantee	2,009,839,310	1,727,914,397
Government guarantee	-	-
Foreign banks guarantee	384,810,631	499,849,029
Export documents	102,705,800	121,531,907
<b>Fixed Deposits Receipts</b>		
Own FDR	1,930,542,565	1,994,425,686
FDR of Other banks	62,041,799	232,075,233
Government bonds	-	-
Personal guarantee	1,787,402,351	2,181,327,009
Other securities	3,623,993,711	1,583,815,276
	117,840,165,963	103,131,519,274

**b. Unsecured**

	-	-
	<b>117,840,165,963</b>	<b>103,131,519,274</b>

**7.13 Particulars of Loans, advances and lease/investments**

(i) Loans considered good in respect of which the bank company is fully secured;	60,415,746,902	53,727,469,237
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	1,414,152,301	1,331,346,821
(iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	55,750,904,165	48,992,099,548
(iv) Loans adversely classified; provision not maintained there against;	-	-
(v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;*	857,788,515	865,609,148
(vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members; (See Note-7.5.1)	3,805,974	2,062,493
(vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;*	860,912,111	868,622,540
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	3,805,974	2,135,361
(ix) Due from banking companies;	-	-
(x) Amount of classified loan on which interest has not been charged, should be mentioned as follows:		
a) Increase/(decrease) in provision;	(180,234,191)	758,481,593
b) Amount realized against loan previously written off; **	57,380,000	34,220,000

	31.12.2015 Taka	31.12.2014 Taka
c) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet;	1,776,777,963	1,957,012,154
d) Interest creditable to the Interest Suspense A/c;	-	-
(xi) Cumulative amount of the written off loan;***	4,680,072,911	3,739,379,806

\* The amount represents loan in the name of existing directors and officers of the bank.

\*\*The detail of Recovery of loan previously written off may seen in the **Annexure - E**

\*\*\* The detail of the amount of the written - off loans may be seen in the **Annexure - F**

#### 8. Bills purchased and discounted

In Bangladesh	2,009,839,310	1,727,914,397
Outside Bangladesh	384,810,631	499,849,029
	<b>2,394,649,940</b>	<b>2,227,763,426</b>

#### 8(a) Consolidated bills purchased and discounted

Dhaka Bank Limited	2,394,649,940	2,227,763,426
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	<b>2,394,649,940</b>	<b>2,227,763,426</b>

(Note: 8)

#### 8.1 Maturity grouping of bills purchased & discounted

Payable within 1 month	1,033,576,376	1,040,763,106
Over 1 month but less than 3 months	1,067,596,945	881,156,264
Over 3 months but less than 6 months	293,476,619	305,844,056
6 months or more	-	-
	<b>2,394,649,940</b>	<b>2,227,763,426</b>

#### 9. Fixed assets including premises, furniture and fixtures

##### Cost/ Revaluation

Land	2,950,332,536	2,950,332,536
Building	555,607,656	451,628,137
Furniture and fixture including office decoration	410,491,120	366,897,098
Office appliances and equipment	734,292,285	574,275,583
Computer	202,591,275	187,180,406
Software	76,271,261	73,057,500
Bank's vehicle	69,928,345	64,439,445
	4,999,514,479	4,667,810,705
Less: Accumulated depreciation	899,531,122	710,011,448
	<b>4,099,983,356</b>	<b>3,957,799,257</b>

(Details are given in **Annexure - D**)

#### 9(a) Consolidated fixed assets including premises, furniture and fixtures

Dhaka Bank Limited	4,099,983,356	3,957,799,257
Dhaka Bank Securities Limited	9,870,370	14,818,239
Dhaka Bank Investment Limited	-	-
	<b>4,109,853,726</b>	<b>3,972,617,496</b>

(Note: 9)



		31.12.2015 Taka	31.12.2014 Taka
<b>10. Other assets</b>			
Investment in shares of subsidiary companies	(Note: 10.1)	1,749,999,880	1,749,999,880
Stationery, stamps, printing materials etc.		36,342,049	59,107,097
Advance rent		294,005,997	210,877,832
Prepaid expenses against advertisement		19,197,432	23,742,389
Interest/Profit accrued and other receivable	(Note: 10.2)	506,949,293	499,875,191
Security deposit		21,883,176	21,277,876
Preliminary, formation, work in progress, renovation expenses and prepaid expenses	(Note: 10.3)	2,563,186,913	2,672,846,497
Branch adjustments	(Note: 10.4)	25,761,499	13,554,788
Suspense account	(Note: 10.5)	174,359,339	114,911,072
Others	(Note: 10.6)	3,046,744,467	4,001,159,791
		<b>8,438,430,047</b>	<b>9,367,352,413</b>
<b>10(a) Consolidated other assets</b>			
Dhaka Bank Limited	(Note: 10)	8,438,430,047	9,367,352,413
Dhaka Bank Securities Limited		110,673,323	67,503,339
Dhaka Bank Investment Limited		3,544,155	2,151,369
		<b>8,552,647,525</b>	<b>9,437,007,121</b>
Less: Inter-company transactions			
Investment in Dhaka Bank Securities Limited		1,499,999,940	1,499,999,940
Investment in Dhaka Bank Investment Limited		249,999,940	249,999,940
Stock dividend from Dhaka Bank Securities Limited		60,000,000	60,000,000
Receivable from Dhaka Bank Investment Limited		1,173,725	1,116,225
Receivable from Dhaka Bank Securities Limited		111,202,361	146,694,625
		<b>1,922,375,966</b>	<b>1,957,810,730</b>
		<b>6,630,271,560</b>	<b>7,479,196,391</b>
<b>10.1 Investment in shares of subsidiary companies</b>			
Dhaka Bank Securities Limited (99.99% owned subsidiary company of DBL)	(Note:1.2.6.1)	1,499,999,940	1,499,999,940
Dhaka Bank Investment Limited (99.99% owned subsidiary company of DBL)	(Note:1.2.6.2)	249,999,940	249,999,940
		<b>1,749,999,880</b>	<b>1,749,999,880</b>

Dhaka Bank Securities Limited recommended for issue of 10 (ten) Bonus share for every 100 (one hundred) shares for the year 2014.

**10.2 Interest accrued and other receivable**

Amount represents interest/profit accrued on loans/investment but not collected, commission & brokerage receivable on shares and debenture and other income receivable etc.

**10.3** The amount represents payment in advance against opening of new branches, various types of insurance premlums, legal expenses, software maintenance etc. It also includes the advance for work in progress of head office building at Gulshan and Kakrail.

**10.4 Branch adjustment**

Branch adjustment account represents outstanding amount of inter-branch and head office transactions at the balance sheet date.

**10.5 Suspense account**

Suspense Account represents advance paid against renovation of different branches which is capital expenditure and will be adjusted after receiving the final bills.



	31.12.2015 Taka	31.12.2014 Taka
<b>10.6 Others</b>		
Advance tax	(Note: 10.6.1) 866,380,406	921,814,280
Account receivable others	(Note: 10.6.2) 2,180,364,061	3,079,345,511
	<b>3,046,744,467</b>	<b>4,001,159,791</b>
<b>10.6.1 Advance tax</b>		
Opening Balance	921,814,280	1,835,196,268
Add: Paid during the year	1,133,460,133	1,391,744,053
	2,055,274,413	3,226,940,321
Less: Adjustment during the year	1,188,894,008	2,305,126,041
	<b>866,380,406</b>	<b>921,814,280</b>
<b>10.6.2 Account receivable others</b>		
Receivable against Bangladesh / Paribar Sanchaya Patra	178,464,079	139,634,404
Fees receivable	963,160	2,382,231
Receivable from share sale proceeds	103,928,144	35,097,891
Finance to AD branches for Local Documentary Bill Purchased	(Note: 10.6.2.a) 1,204,790,808	657,105,454
Finance to AD branches for Import Bill Discounting	(Note: 10.6.2.b) 544,288,727	2,069,579,588
Protestation account	2,045,518	2,300,518
ATM settlement account	32,281,215	24,492,506
Receivable from exchange houses	1,226,324	942,069
Receivable from Dhaka Bank Investment Limited	1,173,725	1,116,225
Receivable from Dhaka Bank Securities Limited	111,202,361	146,694,625
	<b>2,180,364,061</b>	<b>3,079,345,511</b>
<b>10.6.2.a</b> In accordance with the FE Circular No.03 dated 04 February 2013 of Bangladesh Bank, the amount represents bills discounted Tk.1,204,790,808 to facilitate the exporters of the country.		
<b>10.6.2.b</b> In accordance with the BRPD Circular No.28 dated 05 September 2010 of Bangladesh Bank, Dhaka Bank Limited's Off-shore Banking Unit (OBU) has been financing the importers who import at usance basis through Bank's Authorised Dealer (AD) branches.		
<b>10.7 Income generation grouping of other assets</b>		
<b>Income generating</b>		
Investment in shares of subsidiary companies	1,749,999,880	1,749,999,880
Account receivable others		
Finance to AD branches for Local Documentary Bill Purchased	1,204,790,808	657,105,454
Finance to AD branches for Import Bill Discounting	544,288,727	2,069,579,588
	<b>3,499,079,415</b>	<b>4,476,684,922</b>
<b>Non-income generating</b>		
Stationery, stamps, printing materials etc.	36,342,049	59,107,097
Advance rent	294,005,997	210,877,832
Prepaid expenses against advertisement	19,197,432	23,742,389
Interest/Profit accrued and other receivable	506,949,293	499,875,191
Security deposit	21,883,176	21,277,876
Preliminary, formation, work in progress, renovation expenses and prepaid expenses	2,563,186,913	2,672,846,497
Branch adjustments	25,761,499	13,554,788

	31.12.2015 Taka	31.12.2014 Taka
Suspense account	174,359,339	114,911,072
Advance tax paid	866,380,406	921,814,280
Account receivable others		
Receivable against Bangladesh / Paribar Sanchaya Patra	178,464,079	139,634,404
Protestation account	2,045,518	2,300,518
Receivable from exchange houses	1,226,324	942,069
Receivable from Dhaka Bank Investment Limited	1,173,725	1,116,225
Receivable from Dhaka Bank Securities Limited	111,202,361	146,694,625
Fees receivable	963,160	2,382,231
Receivable from share sale proceeds	103,928,144	35,097,891
ATM settlement account	32,281,215	24,492,506
	<b>4,939,350,632</b>	<b>4,890,667,491</b>
	<b>8,438,430,047</b>	<b>9,367,352,413</b>

#### 11. Non-banking assets

Land and Building	<b>23,166,033</b>	<b>23,166,033</b>
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Dhaka Bank received a decree from Court regarding right and title of mortgaged land along with building, which was mutated in the name of Dhaka Bank Limited. The value of the property was incorporated in the books of accounts on the basis of third party valuation report provided by a surveyor company. The property has been auctioned and sold to the highest bidder at a price of Tk.26,000,000. The contract for sale (baina) has been executed for Tk.20,000,000 and the rest amount of Tk.6,000,000 will be paid by the bidder before execution of sale deed. After completion of all legal formalities the asset will be handed over to the purchaser.

#### 11(a) Consolidated non-banking assets

Dhaka Bank Limited	(Note: 11) 23,166,033	23,166,033
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	<b>23,166,033</b>	<b>23,166,033</b>

#### 12. Borrowings from other banks, financial institutions and agents

In Bangladesh:	(Note: 12.1) 9,323,249,963	7,014,072,791
Outside Bangladesh	1,311,480,458	2,400,612,268
	<b>10,634,730,420</b>	<b>9,414,685,059</b>

##### 12.1 In Bangladesh

###### Call Borrowing

Basic Bank Ltd.	200,000,000	-
Commercial Bank of Ceylon	280,000,000	-
Janata Bank Ltd.	200,000,000	-
National Bank Ltd.	900,000,000	-
Rupali Bank Ltd.	200,000,000	-
State Bank of India	350,000,000	-
	<b>2,130,000,000</b>	-

###### Bangladesh Bank refinance

Small and Medium Enterprise	174,809,295	216,604,139
Syndication	2,291,407,007	594,747,814
Green Banking	697,601	633,166
Export Development Fund	4,726,336,060	5,002,087,672
Islami Investment Bond's Fund	-	1,200,000,000
	<b>7,193,249,963</b>	<b>7,014,072,791</b>

**Outside Bangladesh**

 Bank SOHAR, Oman  
 United Bank, Dubai  
 NMB Bank, Nepal  
 BMI Bank, Bahrain  
 UBAE Bank, Italy  
 IDCOL, Bangladesh  
 Commercial Bank of Ceylon, Bangladesh

	31.12.2015 Taka	31.12.2014 Taka
	798,350,125	1,566,000,000
	-	51,612,268
	-	234,900,000
	-	391,500,000
	319,054,667	-
	194,075,666	-
	-	156,600,000
	<b>1,311,480,458</b>	<b>2,400,612,268</b>
	<b>10,634,730,420</b>	<b>9,414,685,059</b>

The amount of Tk.1,311,480,458 represents fund borrowed from foreign banks by Off-shore Banking branch.

**12.2 Disclosure regarding Outstanding Repo on 31 December 2015**

Sl. No.	Counterparty Name	Agreement Date	Reversal Date	Amount in Taka
-	-	-	-	-

**12.3 Disclosure regarding outstanding Reverse Repo on 31 December 2015**

Sl. No.	Counterparty Name	Agreement Date	Reversal Date	Amount in Taka
-	-	-	-	-

**12.4 Disclosure regarding overall transaction of Repo and Reverse Repo during 2015**

Sl. No.	Counterparty Name	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year
<b>Securities sold under Repo</b>				
1	With Bangladesh Bank	75,820,000	568,890,000	47,147,534
2	With other Banks & FIs	204,413,557	2,982,824,830	396,921,983
<b>Securities purchased under Reverse Repo</b>				
1	From Bangladesh Bank	250,000,000	480,000,000	4,465,753
2	From other Banks & FIs	149,392,650	1,055,501,518	9,474,666

**12.5 Analysis by security**

 Secured (assets pledge as security for liabilities)  
 Unsecured

	31.12.2015 Taka	31.12.2014 Taka
	-	-
	10,634,730,420	9,414,685,059
	<b>10,634,730,420</b>	<b>9,414,685,059</b>

**12.6 Repayment pattern**

 Repayable on demand  
 Repayable on maturity

	31.12.2015 Taka	31.12.2014 Taka
	2,130,000,000	-
	8,504,730,420	9,414,685,059
	<b>10,634,730,420</b>	<b>9,414,685,059</b>

**12.7 Maturity grouping**

 Repayable on demand  
 Repayable within 1 month  
 Over 1 month but within 3 months  
 Over 3 month but within 6 months  
 Over 6 months but within 1 year  
 Over 1 year but within 5 years  
 Over 5 years

	31.12.2015 Taka	31.12.2014 Taka
	2,130,000,000	-
	-	-
	-	-
	-	1,200,000,000
	6,213,323,414	7,619,937,245
	2,291,407,007	594,747,814
	-	-
	<b>10,634,730,420</b>	<b>9,414,685,059</b>



		31.12.2015 Taka	31.12.2014 Taka
<b>12(a) Consolidated borrowings from other banks, financial institutions and agents</b>			
Dhaka Bank Limited	(Note: 12)	10,634,730,420	9,414,685,059
Dhaka Bank Securities Limited		2,259,097,699	1,878,000,000
Dhaka Bank Investment Limited		-	-
		12,893,828,120	11,292,685,059
Less: Inter company transaction		2,059,097,699	1,878,000,000
		<b>10,834,730,420</b>	<b>9,414,685,059</b>
<b>13. Deposits and other accounts</b>			
Current and other accounts	(Note: 13.1)	15,782,686,124	14,362,088,804
Bills payable	(Note: 13.2)	1,267,436,384	2,175,092,005
Savings deposits	(Note: 13.3)	15,041,681,604	11,463,880,702
Term deposits	(Note: 13.4)	106,977,095,206	96,852,497,824
		<b>139,068,899,318</b>	<b>124,853,559,335</b>
<b><u>Non-interest bearing accounts</u></b>			
<b>13.1 Current and other accounts</b>			
Current account		8,630,357,775	6,971,439,303
Foreign currency deposits		1,102,070,702	1,815,160,145
Margin under Letter of Credit		1,251,237,763	935,966,065
Margin under Letter of Guarantee		838,504,479	791,827,509
Deposits awaiting disposal		389,298,236	608,304,811
Sundry deposit	(Note: 13.1.1)	3,571,217,169	3,239,390,971
		<b>15,782,686,124</b>	<b>14,362,088,804</b>
<b>13.1.1 Sundry deposit</b>			
F.C held against Back to Back L/C		3,302,727,639	2,969,208,539
Sundry creditors		133,851,448	139,434,939
Unclaimed deposits		71,793,022	63,616,930
Risk fund		7,354,889	8,057,899
Security deposits for locker		5,664,400	4,939,500
Advance lease rent		49,825,771	54,133,164
		<b>3,571,217,169</b>	<b>3,239,390,971</b>
<b>13.2 Bills payable</b>			
Pay order		1,031,881,086	1,723,392,053
Demand draft		235,555,298	451,699,952
		<b>1,267,436,384</b>	<b>2,175,092,005</b>
<b>Total Non-interest bearing accounts</b>		<b>17,050,122,508</b>	<b>16,537,180,809</b>
<b><u>Interest bearing Account</u></b>			
<b>13.3 Savings deposits</b>			
Savings account		12,746,576,955	10,565,695,867
Mudaraba savings accounts		2,295,104,649	898,184,835
		<b>15,041,681,604</b>	<b>11,463,880,702</b>

**13.3 (a) Consolidated Savings deposits**

Dhaka Bank Limited  
 Dhaka Bank Securities Limited  
 Dhaka Bank Investment Limited

Less: Inter company transaction

31.12.2015 Taka	31.12.2014 Taka
15,041,681,604	11,463,880,702
-	-
-	-
15,041,681,604	11,463,880,702
477,397,573	-
<b>14,564,284,031</b>	<b>11,463,880,702</b>

**13.4 Term deposits**

Special Notice Deposits  
 Fixed Deposits  
 Deposit Pension Scheme  
 Gift Cheque  
 Marriage Deposit Scheme  
 Non Resident Foreign Currency Deposit (NFCD)

9,776,875,770	7,188,777,447
78,490,733,361	74,986,998,837
18,627,127,118	14,546,897,793
28,562,103	22,221,113
193	273,839
53,796,662	107,328,795
<b>106,977,095,206</b>	<b>96,852,497,824</b>
<b>122,018,776,811</b>	<b>108,316,378,526</b>
<b>139,068,899,318</b>	<b>124,853,559,335</b>

**Total Interest bearing account**

**Total Deposits and other accounts**

**13.5 Deposits and other accounts**

Deposits from banks  
 Deposits from customers

7,160,808,322	2,331,477,202
131,908,090,996	122,522,082,133
<b>139,068,899,318</b>	<b>124,853,559,335</b>

**Deposits from banks**

Current deposits and other accounts  
 Savings Bank/Mudaraba  
 Special Notice Deposits  
 Fixed Deposits

-	-
2,007,913,166	628,717,456
2,895,156	2,759,746
5,150,000,000	1,700,000,000
<b>7,160,808,322</b>	<b>2,331,477,202</b>

**Deposits from customers**
**i) Current deposits and other accounts**

Current Account  
 Foreign Currency Deposits  
 Margin under Letter of Credit  
 Margin under Letter of Guarantee  
 Deposits Awaiting Disposal  
 Sundry Deposit

8,630,357,775	6,971,439,303
1,102,070,702	1,815,160,145
1,251,237,763	935,966,065
838,504,479	791,827,509
389,298,236	608,304,811
3,571,217,169	3,239,390,971
<b>15,782,686,124</b>	<b>14,362,088,804</b>

**ii) Bills Payable**

Pay Order  
 Demand Draft

1,031,881,086	1,723,392,053
235,555,298	451,699,952
<b>1,267,436,384</b>	<b>2,175,092,005</b>

**iii) Savings Deposits**

Savings Account  
 Mudaraba Savings Accounts

12,746,576,955	10,565,695,867
287,191,483	269,467,379
<b>13,033,768,438</b>	<b>10,835,163,246</b>



**iv) Term deposits**

Special Notice Deposits
Fixed Deposits
Deposit Pension Scheme
Gift Cheque
Marriage Deposit Scheme
Non Resident Foreign Currency Deposit (NFCD)

31.12.2015 Taka	31.12.2014 Taka
9,773,980,614	7,186,017,701
73,340,733,361	73,286,998,837
18,627,127,118	14,546,897,793
28,562,103	22,221,113
193	273,839
53,796,662	107,328,795
<b>101,824,200,051</b>	<b>95,149,738,078</b>
<b>131,908,090,996</b>	<b>122,522,082,133</b>

**13.6 Payable on demand and time deposits**

**a) Demand deposits**

Current Account
Savings Deposits (10%)
Foreign Currency Deposits
Margin under Letter of Credit
Margin under Letter of Guarantee
Deposits Awaiting Disposal
Sundry Deposit
Bills Payable

8,630,357,775	6,971,439,303
1,504,168,160	1,146,388,070
1,102,070,702	1,815,160,145
1,251,237,763	935,966,065
838,504,479	791,827,509
389,298,236	608,304,811
3,571,217,169	3,239,390,971
1,267,436,384	2,175,092,005
<b>18,554,290,668</b>	<b>17,683,568,879</b>

**b) Time deposits**

Savings Deposits (90%)
Special Notice Deposits
Fixed Deposits
Deposit Pension Scheme
Gift Cheque
Marriage Deposit Scheme
Non Resident Foreign Currency Deposit (NFCD)

13,537,513,444	10,317,492,632
9,776,875,770	7,188,777,447
78,490,733,361	74,986,998,837
18,627,127,118	14,546,897,793
28,562,103	22,221,113
193	273,839
53,796,662	107,328,795
<b>120,514,608,650</b>	<b>107,169,990,456</b>
<b>139,068,899,318</b>	<b>124,853,559,335</b>

**13.7 Maturity grouping of deposits and other accounts**

**Other than bank deposits**

Repayable on demand
Repayable within 1 month
Over 1 month but within 3 months
Over 3 months but within 6 months
Over 6 months but within 1 year
Over 1 year but within 5 years
Over 5 years but within 10 years

17,078,684,610	16,559,401,922
22,861,545,714	18,128,509,742
36,787,144,191	35,133,558,652
9,196,786,048	8,783,389,663
18,393,572,289	17,567,053,165
16,554,214,886	15,810,101,393
11,036,143,257	10,540,067,596
<b>131,908,090,996</b>	<b>122,522,082,133</b>

**Inter-bank deposits**

Repayable on demand
Repayable within 1 month
Over 1 month but within 3 months
Over 3 months but within 6 months
Over 6 months but within 1 year
Over 1 year but within 5 years
Over 5 years but within 10 years

-	-
2,010,808,322	631,477,202
-	-
5,150,000,000	1,700,000,000
-	-
-	-
-	-
<b>7,160,808,322</b>	<b>2,331,477,202</b>
<b>139,068,899,318</b>	<b>124,853,559,335</b>



**13.8 Sector wise deposits**

	31.12.2015 Taka	31.12.2014 Taka
Government	943,283,854	848,195,514
Public sector	7,801,806,350	5,994,673,193
Private sector	130,323,809,114	118,010,690,628
	<b>139,068,899,318</b>	<b>124,853,559,335</b>

**13. (a) Consolidated deposits and other accounts**

Dhaka Bank Limited	(Note: 13)	139,068,899,318	124,853,559,335
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		139,068,899,318	124,853,559,335
Less: Inter company transaction		477,397,573	-
		<b>138,591,501,745</b>	<b>124,853,559,335</b>
<b>14. Non convertible subordinated bond</b>		<b>1,400,000,000</b>	<b>2,000,000,000</b>

The Bank issued redeemable non convertible subordinated bond of Taka 2,000,000,000 as Supplementary Capital (Tier-2) of the Bank for a term of 7 years to strengthen the capital base of the Bank on the consent of BSEC vide letter no. SEC/CI/CPLC-10/2001-256 dated 09.09.2010. The redemption of the bond has been started from the year 2015. The bond will be fully redeemed by the year 2017.

Moreover, the bank received approval for issuance of another tranche of non convertible subordinated bond of Tk. 3,000,000,000 vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under BASEL-III Accord.

**15. Other Liabilities**

Accrued Interest		11,677,888	80,604,602
Provision on loans and advances	(Note: 15.1)	4,244,527,272	3,569,521,263
Provision for good borrower	(Note: 15.2)	1,254,000	-
Provision for off balance sheet exposure	(Note: 15.3)	426,578,478	398,840,178
Interest suspense account	(Note: 15.4)	2,419,863,452	1,945,302,752
Provision for decrease in value of investments	(Note: 38)	4,967,735	162,188,991
Fund for Dhaka Bank Foundation	(Note: 36.1)	23,999,322	32,533,724
Provision for current tax	(Note: 15.7)	1,479,868,518	1,733,928,707
Deferred tax liabilities	(Note: 15.8)	40,169,445	36,601,232
Other account payable	(Note: 15.9)	2,882,754,066	1,402,382,404
Provision for other assets	(Note: 15.6)	8,670,024	8,670,024
Provision against expenses	(Note: 15.5)	62,643,513	59,373,340
Tax deducted at source & payable		239,534,187	224,418,157
Excise duty payable		23,663,237	79,420,168
		<b>11,870,171,137</b>	<b>9,733,785,542</b>

**15(a) Consolidated other liabilities**

Dhaka Bank Limited	(Note: 15)	11,870,171,137	9,733,785,542
Dhaka Bank Securities Limited		929,597,274	942,220,226
Dhaka Bank Investment Limited		9,982,658	5,809,438
		12,809,751,069	10,681,815,206
Less: Inter-company transactions			
Dhaka Bank Securities Limited		111,202,361	146,694,625
Dhaka Bank Investment Limited		1,173,725	1,116,225
		112,376,086	147,810,850
		<b>12,697,374,983</b>	<b>10,534,004,356</b>

**15.1 Provision for loans and advances**
**i) The movement in specific provision for bad and doubtful debts:**

	31.12.2015 Taka	31.12.2014 Taka
Provision held at the beginning of the year	2,120,305,055	2,185,734,892
Specific provision (+)	680,467,438	243,883,535
Fully provided debt written off (-)	(477,905,874)	(129,616,036)
Provision no longer required (-)	(420,167,893)	(179,697,336)
<b>Provision held at the end of the year</b>	<b>1,902,698,726</b>	<b>2,120,305,055</b>

**ii) The movement in general provision on unclassified loans:**

Provision held at the beginning of the year	1,449,216,208	956,259,041
Additional provision for the year	892,612,338	492,957,167
<b>Provision held at the end of the year</b>	<b>2,341,828,546</b>	<b>1,449,216,208</b>
	<b>4,244,527,272</b>	<b>3,569,521,263</b>

**15.2 Provision for good borrower**

	<b>1,254,000</b>	-
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**15.3 Provision for off balance sheet exposures**

Opening balance	398,840,178	373,671,394
Add: Addition during the year	27,738,300	25,168,784
	<b>426,578,478</b>	<b>398,840,178</b>

The Bank has made a provision of Tk.27,738,300 @ 1.00% on off balance sheet exposure (i.e. Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) as per BRPD Circular number 14 dated 23.09.2012 from current year's profit. The total amount of provision of Tk.426,578,478 is deemed sufficient on requirement and will be treated as Supplementary Capital of the bank.

**15.4 Interest Suspense Account**

Balance at the beginning of the year	1,945,302,752	1,515,124,672
Amount transferred to "Interest Suspense" A/c during the year (+)	838,523,004	932,075,487
Amount recovered in "Interest Suspense" A/c during the year (-)	(90,983,056)	(471,892,761)
Amount written off during the year (-)	(272,979,248)	(30,004,646)
<b>Balance at the end of the year</b>	<b>2,419,863,452</b>	<b>1,945,302,752</b>

**15.5 Provision against expenses**

Provision for audit fees	920,000	805,000
Provision for other professional fees	115,000	-
Provision for superannuation fund	2,500,000	2,500,000
Provision for LFA	-	33,367
Provision for bonus	50,000,000	52,123,018
Provision for house rent, telephone, utility, risk premium etc.	8,220,022	2,798,464
Provision for promotional expenses for exchange houses	888,491	1,113,491
	<b>62,643,513</b>	<b>59,373,340</b>

**15.6 Provision for other assets**

Balance at the beginning of the year	8,670,024	3,229,818
Add: Addition during the year	-	5,440,206
<b>Balance at the end of the year</b>	<b>8,670,024</b>	<b>8,670,024</b>

31.12.2015 Taka	31.12.2014 Taka
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**15.7 Provision for current tax**

Opening balance	1,733,928,707	2,862,920,241
Add: Provision made during the year	934,833,819	1,176,134,507
	2,668,762,526	4,039,054,748
Less: Adjustment during the year	1,188,894,008	2,305,126,041
	<b>1,479,868,518</b>	<b>1,733,928,707</b>

Provision for taxation has been made on accounting profit considering taxable allowances / disallowances as per Income Tax Ordinance 1984 amounting to Tk. 934,833,819 as current tax provision for the year 2015 (Assessment Year 2016-2017). This provision for corporate tax has been made as per estimate of the bank's tax consultants. The tax provision is found adequate.

Assessment for the years from 1995 to 2006 have since been completed and bank got Tax Clearance Certificate upto 2006 (Assessment year 2007-2008) from tax authority. But under section 120, the assessment for the year 2004, 2005 and 2006 had been re-opened and the bank had filed appeal to the Honorable High Court. The bank filed an appeal against the assessment order for the year 2007, 2008, 2009, 2010 and 2011 to The Honorable High Court. The bank received Tax Clearance Certificate for the year 2012, 2013 and 2014. The Income Tax Return for the year 2015 (Assessment year 2016-2017) to be submitted by 15 July 2016.

**15.7(a) Consolidated provision for current tax**

Dhaka Bank Limited	(Note: 15.7)	934,833,819	1,176,134,507
Dhaka Bank Securities Limited		34,308,963	50,880,298
Dhaka Bank Investment Limited		4,058,220	4,635,713
		<b>973,201,002</b>	<b>1,231,650,519</b>

**15.8 Deferred tax liabilities**

Opening Balance	36,601,232	20,890,606
Add: Addition during the year	3,568,213	15,710,626
	<b>40,169,445</b>	<b>36,601,232</b>

**15.8(a) Consolidated Deferred tax liabilities**

Dhaka Bank Limited	(Note: 15.8)	3,568,213	15,710,626
Dhaka Bank Securities Limited		(1,135,120)	(968,495)
Dhaka Bank Investment Limited		-	-
		<b>2,433,092</b>	<b>14,742,131</b>

**15.9 Other account payable**

3 month and 5 years Bangladesh/Pratirakhkha Sanchay Patra		44,831,230	23,024,360
Application, processing, membership & utilisation fee		9,188,168	4,981,800
Adjusting account credit		19,690,650	11,870,909
Export proceeds suspense		766,186,812	380,929,768
Vendors' security deposit		1,455,994	5,701,687
Finance from Bill Discounting OBU	(Note: 15.9.1)	1,206,697,723	658,310,392
Compensation income of Islamic Banking operations	(Note: 15.9.2)	27,656,188	18,139,292
Import payment suspense		787,047,300	279,424,196
Baina against Non-banking assets	(Note: 15.9.3)	20,000,000	20,000,000
		<b>2,882,754,066</b>	<b>1,402,382,404</b>

**15.9.1** Authorised dealer branches maintained cover fund of Tk.1,206,697,723 through Off-shore Banking Unit (OBU) to further facilitate the exporters in accordance with FE Circular No.03 dated 04 February 2013 of Bangladesh Bank.

**15.9.2** The amount of Tk.27,656,188 represents profits on various overdue investments of Islamic banking operations, which has been maintained as per Shariah Principle.





15.9.3 The amount represents the contract for sale (baina) executed for Tk.20,000,000 against the mortgaged land along with building which was mutated in the name of Dhaka Bank Limited (**Note-11**). The amount will be adjusted after receiving the rest amount of the auction and execution of the sale deed.

31.12.2015 Taka	31.12.2014 Taka
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**16. Share capital**

**16.1 Authorised Capital**

1,000,000,000 ordinary shares of Tk.10 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
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The Bank increased its authorized capital from Tk 6,000 million to Tk.10,000 million by passing a special resolution in the bank's 4th Extra Ordinary General Meeting (EGM) held on 04 July 2010.

**16.2 Issued, Subscribed and Paid-up Capital**

568,512,964 ordinary shares of Tk.10 each issued for cash	5,685,129,640	5,414,409,190
56,851,296 ordinary shares of Tk.10 each issued as bonus shares	568,512,960	270,720,450
	<u>6,253,642,600</u>	<u>5,685,129,640</u>

The Bank has increased its paid up capital by issuance of 10% bonus share i.e 56,851,296 ordinary shares of Tk. 10.00 each as on 14 May 2015.

The Bank had denominated its face value of share at Tk. 10.00 per share instead of Tk. 100.00 of each share by passing a special resolution in the banks 4th EGM held on 04 July 2010.

**16.3 Initial Public Offer (IPO)**

Out of the total issued, subscribed and paid up capital of the bank 1,320,000 Ordinary shares of Tk.100 each amounting to Tk.132,000,000 was raised through public offering of shares held in 24 February 2000.

**16.4 Right Issue**

The Bank has increased its paid up capital twice by issuance of 2R:5 and 1R:2 right share at par on 15 April 2003 and 30 November 2005 respectively.

**16.5 History of Paid-up Capital**

Year	Declaration	No. of share	Value in Capital	Cumulative
1995	Opening Capital	1,000,000	100,000,000	100,000,000
1996	10% Stock Dividend	100,000	10,000,000	110,000,000
1997	20% Stock Dividend	220,000	22,000,000	132,000,000
1998	9% Stock & 10% Cash Dividend	118,800	11,880,000	275,880,000
1999	25% Cash	-	-	275,880,000
2000	25% Cash & 10% Stock Dividend	275,880	27,588,000	303,468,000
2001	25% Cash & 25% Stock Dividend	758,670	75,867,000	379,335,000
2002	20% Cash & (15,17,340 nos. right shares)	1,517,340	151,734,000	531,069,000
2003	15% Cash & 25% stock Dividend	1,327,672	132,767,200	663,836,200
2004	35% Stock & 1R:2	5,642,608	564,260,800	1,228,097,000
2005	5% Stock Dividend	614,048	61,404,800	1,289,501,900
2006	10% Cash & 20% Stock Dividend	2,579,003	257,900,300	1,547,402,300
2007	25% Stock Dividend	3,868,505	386,850,500	1,934,252,875
2008	15% Cash & 10% Stock Dividend	1,934,252	193,425,200	2,127,678,200
2009	25% Stock Dividend	5,319,195	531,919,500	2,659,597,800
2010	35% Stock Dividend	9,308,592	93,085,920	3,590,457,030
2011	5% Cash & 30% Stock Dividend	107,713,710	1,077,137,100	4,667,594,130
2012	16% Stock Dividend	74,681,506	746,815,060	5,414,409,190
2013	17% Cash & 5% stock Dividend	27,072,045	270,720,450	5,685,129,640
2014	14% Cash & 10% stock Dividend	56,851,296	568,512,960	6,253,642,600



**16.6 Percentage of shareholding**

Particulars	2015		2014	
	% of holdings	Value of Shares	% of holdings	Value of Shares (Tk.)
<b>1. Local Ownership</b>				
Banking Companies	12.01	750,774,730	12.04	684,702,820
Financial Institutions	4.90	306,266,150	5.18	294,658,850
Sponsors	39.08	2,444,182,770	45.48	2,585,588,180
General Public	37.88	2,368,904,400	32.47	1,845,954,080
Mutual Fund	0.81	50,540,540	0.29	16,361,550
Unit Funds	0.30	18,855,800	0.18	10,134,680
ICB Account Holders	0.09	5,898,810	0.12	6,562,660
ICB Head office (Investors A/c)	0.07	4,487,490	0.08	4,403,150
ICB Unit Fund	-	-	0.09	5,061,100
ICB AMCL First Mutual Fund	-	-	0.01	398,190
Non-Resident Bangladeshi (NRB)	0.45	28,323,460	0.65	36,996,250
ICB Mutual Fund	-	-	-	-
ICB Investors A/C, Local Office	0.02	1,100,000	0.03	1,507,710
ICB Capital Management Limited	0.32	20,241,400	0.32	18,398,390
Other Investor's A/C	3.93	246,018,520	3.07	174,402,030
	<b>99.87</b>	<b>6,245,594,070</b>	<b>100.00</b>	<b>5,685,129,640</b>
<b>2. Foreign Ownership</b>				
Financial Company	0.13	8,048,530	-	-
	<b>0.13</b>	<b>8,048,530</b>	<b>-</b>	<b>-</b>
	<b>100.00</b>	<b>6,253,642,600</b>	<b>100.00</b>	<b>5,685,129,640</b>

**16.7 Classification of shareholders by holding**

Holdings	2015		2014	
	No. of share holders	Number of Shares	No. of share holders	Number of Shares
1 to 500 shares	19,395	3,087,661	26,172	3,870,885
501 to 5,000 shares	11,452	19,230,000	13,405	21,945,690
5,001 to 10,000 shares	934	6,525,531	1,059	7,338,676
10,001 to 20,000 shares	474	6,548,761	554	7,561,454
20,001 to 30,000 shares	156	3,810,900	175	4,177,452
30,001 to 40,000 shares	56	1,930,971	71	2,467,686
40,001 to 50,000 shares	50	2,260,591	49	2,168,218
50,001 to 100,000 shares	90	6,564,380	110	7,765,593
100,001 to 1,000,000 shares	114	38,574,507	128	40,855,314
1000001 & above shares	77	536,830,958	74	470,361,996
	<b>32,798</b>	<b>625,364,260</b>	<b>41,797</b>	<b>568,512,964</b>

**16.8 Name of the directors and their shareholdings as on 31 December**

Sl. No.	Name of directors	2015		2014	
		No. of shares	Value of share (Tk.)	No. of shares	Value of share (Tk.)
1	Mr. Reshadur Rahman (Chairman)	21,107,938	211,079,380	19,024,605	190,246,050
2	Mrs. Rokshana Zaman (Vice Chairman)	12,519,812	125,198,120	11,381,648	113,816,480
3	Mr. Mirza Abbas Uddin Ahmed (Director) *	-	-	35,067,910	350,679,100
4	Mr. Abdul Hai Sarker (Director)	13,605,774	136,057,740	12,368,886	123,688,860
5	Mr. Altaf Hossain Sarker (Director)	17,440,446	174,404,460	15,854,951	158,549,510
6	Mr. Mohammed Hanif (Director)	19,048,981	190,489,810	17,317,256	173,172,560
7	Mr. Md. Amirullah (Director)	12,508,771	125,087,710	11,371,610	113,716,100





Sl. No.	Name of directors	2015		2014	
		No. of shares	Value of share (Tk.)	No. of shares	Value of share (Tk.)
8	Mr. Abdullah Al Ahsan (Director)	12,509,848	125,098,480	11,372,590	113,725,900
9	Mr. Khondoker Monir Uddin (Director)	17,959,623	179,596,230	16,326,930	163,269,300
10	Mr. Tahidul Hossain Chowdhury (Director)	12,559,725	125,597,250	11,417,932	114,179,320
11	Mr. Jashim Uddin (Director)	12,508,886	125,088,860	11,371,715	113,717,150
12	Mr. Khondoker Jamil Uddin (Director)	12,508,712	125,087,120	11,371,557	113,715,570
13	Mr. Mirza Yasser Abbas (Director)	23,032,472	230,324,720	20,938,611	209,386,110
14	Mr. Amanullah Sarker (Director)	12,508,774	125,087,740	11,371,613	113,716,130
15	Mr. M.N.H. Bulu (Director)	12,841,605	128,416,050	-	-
15	Mr. Syed Abu Naser Bukhtear Ahmed (Independent Director)	-	-	-	-
16	Mr. Suez Islam (Independent Director) **	-	-	1,675,078	16,750,780
	<b>Total</b>	<b>212,663,382</b>	<b>2,126,613,670</b>	<b>218,234,906</b>	<b>2,182,328,920</b>

\* Continued as director up to 05.09.2015.

\*\* Continued as independent director up to 20.09.2015.

31.12.2015	31.12.2014
Taka	Taka

**16.9 Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III**

**Tier - I Capital (Going - Concern Capital)**

**Common Equity Tier 1 Capital (CET 1)**

Paid up capital	6,253,642,600	5,685,129,640
Statutory reserve	5,300,741,818	4,825,543,616
General reserve	160,272,618	160,272,618
Surplus in profit and loss account/ Retained Earnings	962,390,782	1,364,431,114
	<b>12,677,047,818</b>	<b>12,035,376,988</b>

**Regulatory Adjustment:**

Book value of Goodwill and value of all other Intangible Assets*	34,205,020	-
<b>Total Common Equity Tier 1 Capital (CET 1)</b>	<b>12,642,842,799</b>	<b>12,035,376,988</b>

**Additional Tier 1 Capital (AT 1)**

<b>Total Tier - I Capital</b>	<b>12,642,842,799</b>	<b>12,035,376,988</b>
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(\*Written down value of Software which is treated as Intangible Assets)

**Tier - II Capital (Going - Concern Capital)**

General provision including off-balance sheet exposure (Note - 16.9.1)	1,680,022,373	1,848,056,386
Asset revaluation reserve (50%) (Note-18.2)	259,382,000	324,227,500
Revaluation reserve for HTM & HFT securities (50%) [Note-2.5(a) & (b) and 18.3] (Note - 16.9.2)	25,267,379	30,840,819
Non-convertible subordinated bond (Note-16.9.3)	800,000,000	1,200,000,000
	<b>2,764,671,752</b>	<b>3,403,124,705</b>

**Regulatory Adjustment (if any)**

<b>Total Tier - II Capital</b>	<b>2,764,671,752</b>	<b>3,403,124,705</b>
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<b>A. Total Eligible Capital</b>	<b>15,407,514,550</b>	<b>15,438,501,692</b>
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	31.12.2015 Taka	31.12.2014 Taka
<b>B. Risk Weighted Assets</b>		
Credit risk		
Balance sheet business	116,933,105,879	107,728,400,000
Off- balance sheet business	17,468,683,949	18,475,900,000
	<b>134,401,789,828</b>	<b>126,204,300,000</b>
Market risk		
Operational risk	2,290,722,493	1,611,900,000
<b>Total risk-weighted assets</b>	<b>147,343,162,322</b>	<b>137,841,600,000</b>
<b>C. Required Capital on Risk Weighted Assets</b>		
	<b>14,734,316,232</b>	<b>13,784,160,000</b>
<b>D. Capital Surplus / (Shortfall) [A-C]</b>		
	<b>673,198,318</b>	<b>1,654,341,692</b>
<b>Total capital ratio (%)</b>	<b>10.46%</b>	<b>11.20%</b>

Capital requirement	2015		2014	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (Going Concern Capital)	5.50	8.58%	5.00	8.73%
Tier - II Capital (Gone Concern Capital)	-	1.88%	-	2.47%
<b>Total</b>		<b>10.46%</b>		<b>11.20%</b>

**16.9.1** As per risk based capital adequacy guideline for banks under BASEL - III, the Tier 2 capital under heading "General Provision" is limited to the actual amount of general provision or 1.25% of credit risk weighted assets, which is lower.

**16.9.2** As per risk based capital adequacy guidelines for banks under BASEL - III, the revaluation reserve for assets and securities will diminish at 20% per year on the base amount of 31 December 2015 so that the whole revaluation reserve amount will not get capital treatment after the end of five years (starting from January 2015).

**16.9.3** As per the risk based capital adequacy guidelines in line with Basel-II issued in December 2010 by Bangladesh Bank, the amount of subordinated debt in the regulatory capital will have to be reduced (amortized) in the last 05 (five) years of the bond's life by 20% from the amount of the instrument. According to the rules, an amount of Tk.1,200,000,000 of non-convertible subordinated bond has not been treated as Supplementary Capital (Tier-2) in 2015. According to the guidelines, Tk.400,000,000 in 2013, Tk.800,000,000 crore in 2014 and Tk.1,200,000,000 in 2015 of non convertible subordinated bond has not been treated as supplementary capital (Tier-2).

Capital Adequacy Ratio (CAR) has been calculated as per risk based capital adequacy guidelines in line with BASEL-III issued in December 2014 & DOS Circular No. 02 dated 04 April 2015 on reporting CRAR & leverage ratio by Bangladesh Bank.

**16.9(a) Consolidated Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III**

**Tier - I Capital (Going - Concern Capital)**

**Common Equity Tier 1 Capital (CET 1)**

Paid up capital	6,253,642,600	5,685,129,640
Minority interest	37,355	28,994
Statutory reserve	5,300,741,818	4,825,543,616
General reserve	160,272,618	160,272,618
Surplus in profit and loss account/ Retained Earnings	1,265,053,472	1,591,962,445
	<b>12,979,747,863</b>	<b>12,262,937,313</b>

**Regulatory Adjustment:**

Book value of Goodwill and value of all other Intangible Assets**	34,249,226	-
Deferred Tax Assets (DTA)	1,756,323	-

(\*\*Written down value of Software which is treated as Intangible Assets)

<b>Total Common Equity Tier 1 Capital (CET 1)</b>	<b>12,943,742,314</b>	<b>12,262,937,313</b>
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**Additional Tier 1 Capital (AT 1)**

<b>Total Tier - I Capital</b>	<b>12,943,742,314</b>	<b>12,262,937,313</b>
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	31.12.2015 Taka	31.12.2014 Taka
<b>Tier - II Capital (Gone Concern Capital)</b>		
General provision	1,701,683,898	1,848,056,386
Asset revaluation reserve (50%) (Note-18.2)	259,382,000	324,227,500
Revaluation reserve for HTM & HFT securities (50%) [Note-2.5(a) & (b) and 18.3]	25,267,379	30,840,819
Non-convertible subordinated bond (Note-16.9.1)	800,000,000	1,200,000,000
	<b>2,786,333,276</b>	<b>3,403,124,705</b>
<b>Regulatory Adjustment (if any)</b>	-	-
<b>Total Tier - II Capital</b>	<b>2,786,333,276</b>	<b>3,403,124,705</b>
<b>A. Total Eligible Capital</b>	<b>15,730,075,591</b>	<b>15,666,062,017</b>
<b>B. Risk Weighted Assets</b>		
Credit risk		
Balance sheet business	118,666,027,856	107,743,200,000
Off- balance sheet business	17,468,683,949	18,475,900,000
	<b>136,134,711,805</b>	<b>126,219,100,000</b>
Market risk	4,199,163,912	1,611,900,000
Operational risk	10,993,430,350	10,025,400,000
<b>Total Risk-Weighted Assets</b>	<b>151,327,306,067</b>	<b>137,856,400,000</b>
<b>C. Required Capital on Risk Weighted Assets</b>	<b>15,132,730,607</b>	<b>13,785,640,000</b>
10% on total risk weighted assets		
<b>D. Capital Surplus / (Shortfall) [A-C]</b>	<b>597,344,984</b>	<b>1,880,422,017</b>
<b>Total capital ratio (%)</b>	<b>10.39%</b>	<b>11.36%</b>

Capital requirement	2015		2014	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (Going Concern Capital)	5.50	8.55%	5.00	8.90%
Tier - II Capital (Gone Concern Capital)	-	1.84%	-	2.47%
<b>Total</b>		<b>10.39%</b>		<b>11.36%</b>

Capital Adequacy Ratio (CAR) has been calculated as per risk based capital adequacy guidelines in line with BASEL-III issued in December 2014 & DOS Circular No. 02 dated 04 April 2015 on reporting CRAR & leverage ratio by Bangladesh Bank.

**16(a) Non-controlling interest**

Opening balance	28,994	21,968
Add: Addition for the year from Dhaka Bank Securities Limited	7,608	6,193
Addition for the year from Dhaka Bank Investment Limited	754	773
Dhaka Bank Investment Limited	-	60
	<b>37,355</b>	<b>28,994</b>

**17. Statutory reserve**

Opening balance	4,825,543,616	4,181,375,888
Add: Addition during the year	475,198,202	644,167,728
	<b>5,300,741,818</b>	<b>4,825,543,616</b>

As per Section 24 of Bank Companies Act 1991, 20% of pre tax profit has been transferred to statutory reserve account.

		31.12.2015 Taka	31.12.2014 Taka
<b>18. Other reserve</b>			
General reserve	(Note 18.1)	160,272,618	160,272,618
Assets revaluation reserve	(Note 18.2)	648,455,000	648,455,000
Investment revaluation reserve	(Note 18.3)	63,168,447	61,681,637
		<b>871,896,065</b>	<b>870,409,255</b>
<b>18.1 General reserve</b>			
Opening balance		160,272,618	139,877,943
Add: Addition during the year		-	20,394,675
		<b>160,272,618</b>	<b>160,272,618</b>
<b>18.2 Assets revaluation reserve</b>			
Opening balance		648,455,000	648,455,000
Add: Addition during the year		-	-
		<b>648,455,000</b>	<b>648,455,000</b>
<p>Dhaka Bank Limited revalued the land during the year 2011 by an independent valuation firm according to Paragraph 36 of BAS-16 as per approval of the Board of Directors of the Bank.</p>			
<b>18.3 Investment revaluation reserve</b>			
<b>Revaluation reserve for HTM securities</b>			
Opening balance		38,796,746	267,535,985
Add: Addition during the year		4,534,472	4,285,988
Less: Adjustment during the year		(205,725)	(233,025,227)
		<b>43,125,493</b>	<b>38,796,746</b>
<b>Revaluation reserve for HFT securities</b>			
Opening balance		22,884,891	44,084,868
Add: Addition during the year		804,471,869	178,029,620
Less: Adjustment during the year		(807,313,806)	(199,229,597)
		<b>20,042,955</b>	<b>22,884,891</b>
		<b>63,168,447</b>	<b>61,681,637</b>
<p>Interest income of HTM and HFT securities transferred to revaluation reserve account as per Bangladesh Bank DOS Circular No. 05 dated 26.05.2008 of which 50% of revaluation reserve for HTM &amp; HFT will be treated as supplementary capital.</p>			
<b>19. Retained earnings</b>			
Opening balance		1,364,431,114	1,191,170,022
Add: Post-tax profit for the year		1,437,588,980	2,028,993,508
		<b>2,802,020,094</b>	<b>3,220,163,530</b>
Less: Transfer to statutory reserve		475,198,202	644,167,728
Transfer to general reserve		-	20,394,675
Stock dividend		568,512,960	270,720,450
Cash dividend		795,918,150	920,449,563
		<b>1,839,629,312</b>	<b>1,855,732,416</b>
		<b>962,390,782</b>	<b>1,364,431,114</b>



	31.12.2015 Taka	31.12.2014 Taka
<b>19(a) Consolidated retained earnings</b>		
Dhaka Bank Limited (Note 19)	962,390,782	1,364,431,114
Dhaka Bank Securities Limited	287,215,478	219,834,017
Dhaka Bank Investment Limited	15,484,447	7,726,189
	1,265,090,707	1,591,991,319
Less: Non-controlling interest	37,235	28,874
	<b>1,265,053,472</b>	<b>1,591,962,445</b>
<b>20. Profit &amp; loss account</b>		
<b>Income</b>		
Interest, discount and similar income	12,135,286,236	13,705,387,970
Dividend income	17,224,307	80,295,480
Fee, commission and brokerage	848,851,082	826,966,780
Gains less losses arising from investment securities	3,005,205,439	2,504,435,289
Gains less losses arising from dealing in foreign currencies	467,294,212	300,070,001
Other operating income	351,862,797	318,972,114
	<b>16,825,724,072</b>	<b>17,736,127,634</b>
<b>Expenses</b>		
Interest, fee and commission	10,116,296,447	10,879,027,249
Administrative expenses	2,372,605,731	2,304,526,480
Other operating expenses	534,410,087	476,392,510
Depreciation and repairs of bank's assets	298,178,696	268,105,367
	<b>13,321,490,961</b>	<b>13,928,051,606</b>
	<b>3,504,233,111</b>	<b>3,808,076,028</b>
<b>21 Contingent liabilities</b>		
<b>Acceptance &amp; Endorsement</b>	<b>14,225,611,128</b>	<b>13,756,065,906</b>
<b>Letters of Credit</b>	<b>14,238,167,995</b>	<b>13,042,203,273</b>
Usance/Defer Letter of Credit	4,127,577,483	4,417,010,815
Sight Letter of Credit	5,239,843,760	5,211,668,789
Back to Back Letter of Credit	1,486,959,028	1,150,261,648
BD-Sight (EDF)	1,123,173,406	590,732,218
Back to Back - Local	2,260,614,318	1,672,529,803
<b>Letters of Guarantee</b>	<b>14,194,068,714</b>	<b>13,085,748,553</b>
Bid Bond	1,033,001,406	1,241,493,184
Performance Bond	6,770,052,355	6,900,826,792
Counter Guarantee	459,180,537	560,298,223
Other Guarantee	5,931,834,415	4,383,130,354
Shipping Guarantee	-	-
<b>Bills for collection</b>	<b>7,608,526,452</b>	<b>5,783,061,204</b>
Local bills for collection	5,442,164,698	4,502,459,596
Foreign bills for collection	2,166,361,753	1,280,601,608
<b>Other contingent liabilities</b>	<b>1,988,427,743</b>	<b>3,008,744,945</b>
Bangladesh/Pratirakhkha/Paribar Sanchay Patra	1,453,795,443	991,567,845
ICB Unit certificate	51,340,900	51,340,900
Forward exchange position (Note: 21.1)	471,125,400	1,951,507,300
US investment & premium Bond	12,166,000	14,328,900
	<b>52,254,802,031</b>	<b>48,675,823,881</b>

**21.1** The amount represents the forward position of foreign currencies at the end of the year 2015 which are very short term in nature and adjustment are made on a continuous basis.



**21.2 Letters of Guarantee**

Money for which the bank is contingently liable in respect of guarantees given favouring:

	31.12.2015 Taka	31.12.2014 Taka
Directors	-	-
Government	10,025,073,976	9,242,282,810
Bank and other financial institutions	658,857,834	607,412,020
Others	3,510,136,904	3,236,053,723
	<b>14,194,068,714</b>	<b>13,085,748,553</b>

**21.3 Litigation pending by bank**

SL #	Branch Name		
1	Agrabad	689,320,000	682,591,959
2	Banani	153,320,000	153,413,881
3	Bangshal	695,040,000	685,529,978
4	BB Road	17,090,000	17,105,467
5	Bhulta	2,026,000	-
6	Boardbazar	6,740,000	-
7	Bogra	23,860,833	6,271,425
8	Belkuchi	7,540,000	5,450,181
9	Barisal	558,192,750	397,095,041
10	Comilla	17,059,637	-
11	Cox's Bazar	236,210,000	115,642,547
12	Dhanmondi	91,920,000	93,369,245
13	EPZ,DEPZ	258,207,646	265,677,773
14	Fantasy Kingdom	77,470,000	77,468,942
15	Foreign Exchange	2,244,860,000	-
16	Gulshan	6,440,000	203,565,011
17	Goala Bazar	10,000,000	9,391,085
18	Halishahar	56,757,250	-
19	Hathazari	50,540,000	19,051,958
20	IBB Dhaka	452,810,000	449,800,595
21	IBB Muradpur	1,959,770,000	1,959,774,188
22	Imamgonj	43,810,232	62,767,709
23	Islampur	23,260,000	20,473,043
24	Jessore	58,247,219	11,067,219
25	Joypara	5,080,000	533,291
26	Jubilee Road	681,200,000	681,199,019
27	Kawran Bazar	47,010,000	47,009,297
28	Keraniganj	4,550,000	-
29	Khatungonj	680,570,000	680,571,815
30	Konabari	15,050,000	-
31	Local Office	1,133,870,000	1,365,751,293
32	Madhabdi	12,184,223	1,254,223
33	Moghobazar	32,059,663	27,313,846
34	Moulvibazar	12,640,000	1,498,405
35	Naryangonj	2,193,813	282,909,361
36	Laldighirpar	12,400,000	12,401,751
37	New Market, Chittagong	8,850,000	5,782,814
38	Rajshahi	5,970,000	5,961,991
39	Savar	18,998,000	16,736,855
40	Sirajgonj	6,450,000	2,626,856
41	Satkhira	113,100,000	117,194,772
42	Sonaimuri	15,060,000	-
		<b>10,547,727,266</b>	<b>8,484,252,836</b>

In some cases, the bank obtained preliminary / final decree against pending litigation. As per Artha Rin Adalat (Money Loan Court) Ain 2003, legal procedure yet to be completed for final disposal.

**22. Interest income/profit on investments**

	2015 Taka	2014 Taka
Demand loan	-	-
Term loan	4,880,249,230	5,033,233,272
Overdrafts	3,899,738,657	4,009,438,004
Loan against Imported Merchandise/Murabaha	34,976,710	44,573,433
Loan against Trust Receipt	1,018,315,727	1,390,073,349
Packing Credits	15,998,755	11,560,050
Cash Credits / Bai-Muajjal	1,036,347,745	1,339,874,822
Payment against Documents	28,802,637	444,817,245
House Building loan	176,954,974	226,762,745
Transport loan	112,591,928	117,977,359
Syndicate loan	372,382,363	393,873,278
Hire Purchase	44,769,856	62,501,670
Lease rental/Izara	251,510,752	342,201,108
Credit Card	34,116,211	30,670,156
<b>Total Interest / profit &amp; Rental Income on loans &amp; advances</b>	<b>11,906,755,545</b>	<b>13,447,556,491</b>
Call lending and fund placement with banks	213,384,451	249,369,443
Accounts with foreign banks	15,146,240	8,462,036
	<b><u>12,135,286,236</u></b>	<b><u>13,705,387,970</u></b>

**22(a) Consolidated interest income/profit on investments**

Dhaka Bank Limited	12,135,286,236	13,705,387,970
Dhaka Bank Securities Limited	227,229,789	262,415,606
Dhaka Bank Investment Limited	-	-
	12,362,516,025	13,967,803,576
Less: Inter company transaction	216,296,362	231,859,972
	<b><u>12,146,219,663</u></b>	<b><u>13,735,943,604</u></b>

**23. Interest paid/profit on deposits and borrowings, etc.**

Savings Account including Mudaraba	535,752,547	436,303,047
Special Notice Deposit	347,343,321	369,201,319
Term deposits	6,322,076,015	7,718,564,872
Deposits under Scheme	1,787,494,347	1,374,856,710
Call borrowing & fund placement	209,842,176	244,793,901
Non-convertible subordinate bond	230,993,611	236,236,111
Repurchase Agreement (REPO)	33,649,160	11,778,934
Overseas accounts charges	9,485,439	9,323,234
Leased assets	43,522,581	45,301,788
HTM / HFT securities	303,746,834	71,046,538
Others	292,390,416	361,620,795
	<b><u>10,116,296,447</u></b>	<b><u>10,879,027,249</u></b>

**23.1 Others**

Interest paid on NFCD	220,764	4,035,966
Interest/profit paid against refinance from Bangladesh Bank	40,903,621	69,846,966
Interest paid on Gift Cheque	564,166	401,957
Interest paid on Excel account	603,524	609,823
Interest on Smart Plant (Deposit)	-	14,712
Interest on finance bill rediscounting	54,563,297	28,294,311
Interest on refinance from Woori Bank	-	4,303,521
Interest on fund borrowing-OBU	80,647,815	61,595,474
Treasury bond premium	114,887,229	192,518,065
	<b><u>292,390,416</u></b>	<b><u>361,620,795</u></b>

**23.1.a** Treasury bond premium expenses reflects the amount of interest accrued upto the date of purchase of the treasury bond. This amount has been paid at the time of purchase of the bond.





		2015 Taka	2014 Taka
<b>23(a) Consolidated interest / profit paid on deposits &amp; borrowings, etc.</b>			
Dhaka Bank Limited	(Note: 23)	10,116,296,447	10,879,027,249
Dhaka Bank Securities Limited		224,160,122	5,761,110
Dhaka Bank Investment Limited		-	-
		10,340,456,568	10,884,788,359
Less: Inter company transaction		216,296,362	12,651,092
		<b>10,124,160,206</b>	<b>10,872,137,267</b>
<b>24. Income from investment</b>			
Interest on treasury bills / bonds		2,482,368,389	2,100,083,891
Profit on govt. islamic bond		2,528,750	13,571,468
Capital gain on government securities		404,528,325	302,948,371
Interest on commercial papers		29,567,923	1,250,000
Interest on Subordinated bond		67,238,288	44,675,342
Dividend on Shares		17,224,307	80,295,480
		<b>3,003,455,981</b>	<b>2,542,824,552</b>
<b>24(a) Consolidated income from investment</b>			
Dhaka Bank Limited	(Note: 24)	3,003,455,981	2,542,824,552
Dhaka Bank Securities Limited		210,747,275	259,899,462
Dhaka Bank Investment Limited		-	-
		<b>3,214,203,256</b>	<b>2,802,724,014</b>
<b>25. Commission / fees and exchange earnings</b>			
Commission on Letter of Credit		365,057,207	405,950,913
Commission on Letter of Guarantee		156,860,108	152,574,754
Commission on Remittance / Bills		23,754,516	8,962,508
Processing fee consumer loan		17,658,930	11,068,632
Other comm./ fees (Clearing, cash tr., risk prem., utilisation fee etc.)		255,173,918	224,921,362
Rebate from foreign bank outside Bangladesh		10,638,952	7,059,724
Commission & fee on Credit Card		19,707,452	16,428,887
Exchange gain including gain from foreign currency dealings		467,294,212	300,070,001
		<b>1,316,145,294</b>	<b>1,127,036,781</b>
<b>25(a) Consolidated commission / fees, exchange earnings &amp; brokerage</b>			
Dhaka Bank Limited	(Note: 25)	1,316,145,294	1,127,036,781
Dhaka Bank Securities Limited		56,556,501	102,083,196
Dhaka Bank Investment Limited		-	-
		<b>1,372,701,795</b>	<b>1,229,119,977</b>
<b>26. Other operating income</b>			
Other income on Credit Card and ATM		15,055,060	12,636,828
Incidental charges		74,320,063	67,901,337
Supervision & monitoring charges		163,619,538	147,016,318
Swift charge recoveries		91,377,292	84,527,949
Locker rent		7,462,544	6,844,201
Income from prize bond		16,000	16,000
Capital gain on sale of Shares	(Note: 26.1)	18,973,764	41,906,217
Profit from sale of fixed assets		-	29,481
Profit from sale of scrap		12,300	-
		<b>370,836,561</b>	<b>360,878,331</b>

	2015 Taka	2014 Taka
<b>26.1 Profit on sale of Shares</b>		
Sale proceeds of Shares	119,552,858	1,195,875,213
Less: Cost of Shares	100,579,094	1,153,968,996
	<b>18,973,764</b>	<b>41,906,217</b>
<b>26(a) Consolidated other operating income</b>		
Dhaka Bank Limited	(Note: 26) 370,836,561	360,878,331
Dhaka Bank Securities Limited	2,489,124	1,529,615
Dhaka Bank Investment Limited	11,712,213	12,651,092
	385,037,898	375,059,038
Less: Inter company transaction	-	12,651,092
	<b>385,037,898</b>	<b>362,407,946</b>
<b>27. Salary and allowances</b>		
Basic salary	645,903,371	619,107,372
Allowances	597,843,694	540,538,790
Bonus & ex-gratia	146,600,817	140,642,684
Leave fare assistance	92,457,561	87,301,913
Bank contribution to gratuity fund	(Note: 27.1) 100,000,000	190,000,000
Bank's contribution to provident fund	53,648,798	50,376,260
	<b>1,636,454,240</b>	<b>1,627,967,019</b>
<b>27.1</b> The Bank provided an amount of Taka 10.00 crore during 2015 in gratuity fund.		
<b>27(a) Consolidated salary and allowances</b>		
Dhaka Bank Limited	(Note: 27) 1,636,454,240	1,627,967,019
Dhaka Bank Securities Limited	31,849,313	30,552,221
Dhaka Bank Investment Limited	-	-
	<b>1,668,303,553</b>	<b>1,658,519,240</b>
<b>28. Rent, taxes, insurance, electricity, etc.</b>		
Office rent	304,577,430	257,406,046
Electricity and lighting	60,577,840	54,998,105
Regulatory charges	7,329,622	6,567,403
Insurance	87,231,756	87,213,202
	<b>459,716,648</b>	<b>406,184,756</b>
<b>28(a) Consolidated rent, taxes, insurance, lighting etc.</b>		
Dhaka Bank Limited	(Note: 28) 459,716,648	406,184,756
Dhaka Bank Securities Limited	15,160,998	14,716,594
Dhaka Bank Investment Limited	-	-
	<b>474,877,645</b>	<b>420,901,350</b>
<b>29. Legal expenses</b>		
Legal expenses	9,394,597	16,839,312
Other professional fees	869,159	1,241,750
	<b>10,263,756</b>	<b>18,081,062</b>



		2015 Taka	2014 Taka
<b>29(a) Consolidated Legal expenses</b>			
Dhaka Bank Limited	(Note: 29)	10,263,756	18,081,062
Dhaka Bank Securities Limited		275,375	372,348
Dhaka Bank Investment Limited		-	-
		<b>10,539,131</b>	<b>18,453,410</b>
<b>30. Postage, stamps, telecommunication, etc.</b>			
Stamps, postage & courier		6,198,200	4,952,839
Telephone charges		10,510,957	9,502,540
Fax, internet, radio link, & DDN charges		32,915,623	28,145,317
		<b>49,624,780</b>	<b>42,600,696</b>
<b>30(a) Consolidated postage, stamps, telecommunication, etc.</b>			
Dhaka Bank Limited	(Note: 30)	49,624,780	42,600,696
Dhaka Bank Securities Limited		640,965	539,192
Dhaka Bank Investment Limited		-	-
		<b>50,265,745</b>	<b>43,139,888</b>
<b>31. Stationery, printing, advertisement, etc.</b>			
Table stationery		11,308,865	11,172,405
Printing stationery		76,119,445	72,506,804
Security stationery		11,276,247	8,189,584
Computer stationery		25,633,069	21,878,503
Advertisement		76,965,152	84,271,780
		<b>201,302,778</b>	<b>198,019,076</b>
<b>31(a) Consolidated stationery, printing, advertisement, etc.</b>			
Dhaka Bank Limited	(Note: 31)	201,302,778	198,019,076
Dhaka Bank Securities Limited		1,206,667	989,203
Dhaka Bank Investment Limited		-	8,400
		<b>202,509,445</b>	<b>199,016,679</b>
<b>32. Chief executive's salary and fees</b>			
Basic salary		6,239,667	4,264,667
House rent allowances		1,666,500	1,411,767
Entertainment allowances		-	53,000
House maintenance allowances		888,500	619,166
Medical allowances		17,667	-
Bonus		1,610,000	920,000
		<b>10,422,334</b>	<b>7,268,600</b>
<b>32(a) Consolidated chief executive's salary and fees</b>			
Dhaka Bank Limited	(Note: 32)	10,422,334	7,268,600
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>10,422,334</b>	<b>7,268,600</b>





**33. Directors' fees**

Directors fees	
Fees related to shariah council meeting	
Board/Executive committee / Shariah council meeting expenses	

2015 Taka	2014 Taka
2,739,600	2,395,000
62,600	45,000
753,995	1,160,271
<b>3,556,195</b>	<b>3,600,271</b>

Directors fees are paid following the Bangladesh Bank's BRPD Circular No. 03 dated 18 January 2010 and BRPD Circular Letter # 11 dated 04 October 2015.

**33(a) Consolidated directors' fees**

Dhaka Bank Limited	
Dhaka Bank Securities Limited	
Dhaka Bank Investment Limited	

(Note: 33)

3,556,195	3,600,271
647,045	851,105
-	-
<b>4,203,240</b>	<b>4,451,376</b>

**34. Auditor's fees**

**34(a) Consolidated auditor's fees**

Dhaka Bank Limited	
Dhaka Bank Securities Limited	
Dhaka Bank Investment Limited	

(Note: 34)

1,265,000	805,000
115,000	115,000
115,000	57,500
<b>1,495,000</b>	<b>977,500</b>

**35. Depreciation and repairs of bank's assets**

**Depreciation:**

Building	
Furniture & fixture	
Office appliance & equipment	
Computer	
Software	
Motor vehicle	

12,590,447	11,159,252
37,648,153	34,600,554
96,927,943	84,752,875
21,288,139	23,032,759
11,982,124	12,309,612
9,082,869	10,909,154
<b>189,519,675</b>	<b>176,764,206</b>

**Repair:**

Office premises	
Office equipment	
Office furniture	
Motor vehicle	
Computer and accessories	
Software	

30,462,257	28,932,042
29,918,168	23,513,366
1,731,015	1,577,957
12,435,438	7,486,534
1,958,766	2,123,016
32,153,377	27,708,246
<b>108,659,021</b>	<b>91,341,161</b>
<b>298,178,696</b>	<b>268,105,367</b>

**35(a) Consolidated depreciation and repairs of bank's assets**

Dhaka Bank Limited	
Dhaka Bank Securities Limited	
Dhaka Bank Investment Limited	

(Note: 35)

298,178,696	268,105,367
10,243,167	15,670,286
-	-
<b>308,421,863</b>	<b>283,775,653</b>

**36. Other expenses**

	2015 Taka	2014 Taka
Contribution to superannuation fund	2,500,000	2,500,000
Contractual service charge	207,619,890	200,325,449
Petrol, oil and lubricants (vehicle & generator)	22,871,105	23,275,562
Entertainment (canteen & other)	32,326,036	31,848,194
AGM expenses	4,449,571	5,780,901
Donation	85,035,633	47,057,985
Subscription	3,627,079	2,903,100
Travelling (foreign and local)	11,476,901	8,939,222
Conveyance	14,193,479	11,439,761
Branch opening expenses	6,965,870	5,126,563
Godown expenses	533,364	335,821
Training expenses	7,833,234	7,250,401
Bond issue expenses	4,567,634	6,067,636
Books and papers	3,435,565	2,537,301
WASA charges	3,695,498	3,536,187
Staff uniform	2,840,755	2,548,030
Vehicle registration charges	23,602	756,936
Potted plants	2,047,768	1,927,964
Business development & promotion	72,105,762	64,218,687
Reuters charges	1,764,005	1,719,267
Fees and expenses for credit card	11,841,548	11,957,213
ATM network service charges	8,656,465	1,806,606
Dhaka Bank Foundation (Note: 36.1)	23,999,322	32,533,724
	<b>534,410,087</b>	<b>476,392,510</b>

**36.1 Fund for Dhaka Bank Foundation**

Opening balance	32,533,724	30,747,661
Add: Addition during the year	23,999,322	32,533,724
Less: Transferred to DBL Foundation trustee account	(32,533,724)	(30,747,661)
	<b>23,999,322</b>	<b>32,533,724</b>

Dhaka Bank Limited has been contributing towards Dhaka Bank Foundation since 2003. In 2015, the Bank has contributed Tk. 23,999,322 for Dhaka Bank Foundation @1% on pre tax profit (i.e. profit after provision for loans and other provisions) as per the decision of the executive committee of the board of directors.

**36(a) Consolidated other expenses**

Dhaka Bank Limited (Note: 36)	534,410,087	476,392,510
Dhaka Bank Securities Limited	10,147,324	4,483,328
Dhaka Bank Investment Limited	2,300	223,290
Less: Adjustment for prior year preliminary expenses of DBIL	(221,565)	-
	<b>544,338,145</b>	<b>481,099,128</b>

\* Dhaka Bank Investment Limited amortized Tk. 221,565 for preliminary expenditure during the year 2014 but DBIL did not start operation till now. Amortization of preliminary expenditure will be charged after starting of operation. Amount amortized last year was restated in the current year.

**37. Provision against loans & advances**

On classified loans & advances	202,561,564	50,171,344
On unclassified loans & advances	892,612,338	492,957,167
	<b>1,095,173,902</b>	<b>543,128,511</b>



**37(a) Consolidated provision against loans & advances**

Dhaka Bank Limited  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

2015 Taka	2014 Taka
1,095,173,902	543,128,511
-	-
-	-
<b>1,095,173,902</b>	<b>543,128,511</b>

**38. Provision for diminution in value of investments**

**In quoted shares**

Opening balance  
Less: Adjustment during the year  
Add: Addition during the year

162,188,991	775,763,769
(161,297,153)	(627,074,664)
4,075,897	13,499,886
<b>4,967,735</b>	<b>162,188,991</b>
-	-
<b>4,967,735</b>	<b>162,188,991</b>

**Unquoted**

In order to comply with DOS Circular No.02 dated 16 September 2013 of Bangladesh Bank regarding reduction of the exposure in the Capital Market, Dhaka Bank Limited reduced the portfolio investment by adjustment with provision account for Tk.161,297,153 during the year 2015.

Moreover, cost price of investment in shares represents the book value as on 31.12.2015 being ordinary shares of different companies purchased from primary and secondary market. A required provision for Tk.4,075,897 made from current year's profit due to shortfall in market price than the cost price.

**38(a) Consolidated provision for diminution in value of investments**

Dhaka Bank Limited  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

4,967,735	162,188,991
-	-
-	-
<b>4,967,735</b>	<b>162,188,991</b>

**39. Other provisions**

Provision for off balance sheet items  
Provision for other assets

(Note: 39.1)  
(Note: 15.6)

27,738,300	25,168,784
-	5,440,206
<b>27,738,300</b>	<b>30,608,990</b>

**39.1 Provision against off balance sheet exposures**

On off balance sheet exposures

<b>27,738,300</b>	<b>25,168,784</b>
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Bank has made a provision of Tk.27,738,300 @ 1.00% on off balance sheet exposure (i.e. Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) as per BRPD Circular number 14 dated 23.09.2012 from current years profit.

**39(a) Consolidated other provisions**

Dhaka Bank Limited  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

(Note: 39)

27,738,300	30,608,990
102,021,410	208,178,590
-	-
<b>129,759,710</b>	<b>238,787,580</b>



	2015 Taka	2014 Taka
<b>40. Earnings per share (EPS)</b>		
Net profit after taxation	1,437,588,980	2,028,993,508
Number of ordinary shares outstanding	625,364,260	625,364,260
<b>Earnings per share (EPS)</b>	<b>2.30</b>	<b>3.24</b>
<p>Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2015 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the year ended 31 December 2014 was restated for the issues of 56,851,296 bonus shares (for 2014) in 2015.</p>		
<b>40(a) Consolidated earnings per share (CEPS)</b>		
Net profit after taxation	1,512,728,701	2,098,646,823
Less: Non-controlling interest	8,362	6,966
Net profit attributable to the shareholders of parent company	1,512,720,339	2,098,639,857
Number of ordinary shares outstanding	625,364,260	625,364,260
<b>Consolidated earnings per share (CEPS)</b>	<b>2.42</b>	<b>3.36</b>
<b>41. Receipts from other operating activities</b>		
Exchange earnings	94,326,087	56,834,483
Other operating income	370,824,261	360,848,850
<b>Non operating income</b>	<b>465,150,348</b>	<b>417,683,333</b>
	<b>465,150,348</b>	<b>417,683,333</b>
<b>41(a) Consolidated receipts from other operating activities</b>		
Dhaka Bank Limited	(Note: 41) 465,150,348	417,683,333
Dhaka Bank Securities Limited	210,747,275	259,899,462
Dhaka Bank Investment Limited	11,712,213	12,651,092
	<b>687,609,836</b>	<b>690,233,887</b>
<b>42. Payments for other operating activities</b>		
Rent, taxes, insurance, lighting etc.	459,716,648	406,184,756
Chief executive's salary & allowances	10,422,334	7,268,600
Directors' fees & meeting expenses	3,556,195	3,600,271
Repair of bank's assets	108,659,021	91,341,161
Other expenses	534,410,087	476,392,510
	1,116,764,285	984,787,298
Dhaka Bank Foundation	(23,999,322)	(32,533,724)
	<b>1,092,764,963</b>	<b>952,253,574</b>
<b>42(a) Consolidated payments for other operating activities</b>		
Dhaka Bank Limited	(Note: 42) 1,092,764,963	952,253,574
Dhaka Bank Securities Limited	64,290,551	62,358,127
Dhaka Bank Investment Limited	2,300	1,725
	<b>1,157,057,813</b>	<b>1,014,613,426</b>

	2015 Taka	2014 Taka
<b>43. Other assets</b>		
Stationery, stamps, printing materials etc.	36,342,049	59,107,097
Advance rent and advertisement	313,203,429	234,620,221
Security deposit	21,883,176	21,277,876
Preliminary, formation, work in progress and organization expenses, renovation / development expenses and prepaid expenses	2,563,186,913	2,672,846,497
Branch adjustments	25,761,499	13,554,788
Suspense account	174,359,339	114,911,072
Other assets	2,180,364,061	3,079,345,511
	<b>5,315,100,468</b>	<b>6,195,663,062</b>
<b>Increase / (decrease) during the year</b>	<b>(880,562,594)</b>	<b>957,403,335</b>
<b>43(a) Consolidated other assets</b>		
Dhaka Bank Limited (Note: 43)	880,562,594	(957,403,335)
Dhaka Bank Securities Limited	(42,034,865)	(16,600,606)
Dhaka Bank Investment Limited	(1,171,221)	(1,265,109)
	<b>837,356,509</b>	<b>(975,269,050)</b>
<b>44. Other liabilities</b>		
Provision against expenses	62,643,513	59,373,340
Interest suspense account	2,419,863,452	1,945,302,752
Other account payable	2,882,754,066	1,402,382,404
	<b>5,365,261,030</b>	<b>3,407,058,496</b>
Amount transferred to DBL Foundation trustee account	(32,533,724)	(30,747,661)
Adjustment of loss on shares from provision for decrease in value of investment	(161,297,153)	(627,074,664)
Adjustment of classified loan from provision	(427,086,393)	(115,601,181)
<b>Increase / (decrease) during the year</b>	<b>1,337,285,264</b>	<b>(628,859,973)</b>
<b>44(a) Consolidated other liabilities</b>		
Dhaka Bank Limited (Note: 44)	1,337,285,264	(628,859,973)
Dhaka Bank Securities Limited	1,046,676	(135,393,872)
Dhaka Bank Investment Limited	-	-
	<b>1,338,331,940</b>	<b>(764,253,845)</b>

**Dhaka Bank Limited**  
**Highlights on the overall activities of the Bank**

Sl. No.	Particulars	2015	2014	Change in %
1	Paid up capital	6,253,642,600	5,685,129,640	10
2	Total capital	15,407,514,550	15,438,501,692	(0)
3	Capital surplus / (deficit) (Note - 16.9)	673,198,318	1,654,341,692	(59)
4	Total assets	176,362,472,141	158,747,543,561	11
5	Total deposits	139,068,899,318	124,853,559,335	11
6	Total loans and advances	117,840,165,963	103,131,519,274	14
7	Total contingent liabilities and commitments	52,254,802,031	48,675,823,881	7
8	Credit deposit ratio (%)	84.74	81.26	4
9	Percentage of classified loans against total loans and advances (%)	4.66	5.49	(15)
10	Profit after tax and provision	1,437,588,980	2,028,993,508	(29)
11	Amount of classified loans during the year	5,490,649,320	5,657,255,363	(3)
12	Provisions kept against classified loans	1,902,698,726	2,120,305,055	(10)
13	Provision surplus / (deficit)	-	-	-
14	Cost of fund [deposit cost & overhead cost] (%)	9.57	10.95	(13)
15	Interest earnings assets	144,961,526,925	124,462,407,796	16
16	Non-interest earnings assets	31,400,945,216	34,285,135,765	(8)
17	Return on Investment (ROI) [%]	14.83	13.22	12
18	Return on Assets (ROA) [%]	0.86	1.34	(36)
19	Income from Investments	3,003,455,981	2,542,824,552	18
20	Earnings per share (Taka)	2.30	3.24	(29)
21	Net Income per share (Taka)	2.30	3.24	(29)
22	Price earnings ratio (Times)	8.57	5.13	67



**Dhaka Bank Limited**  
**Currency wise Balances**  
**As at 31 December 2015**

Name of the bank	Location	Name of currency	2015			2014		
			Amounts in foreign currency	Conversion rate	Equivalent amounts in Taka	Amounts in foreign currency	Conversion rate	Equivalent amounts in Taka
Standard Chartered Bank	New York	USD	18,752,603.18	79.00	1,481,455,651.22	14,370,176.71	78.30	1,125,184,836.39
Mashreq Bank	New York	USD	1,640,204.04	79.00	129,576,119.16	2,579,704.16	78.30	201,990,835.73
Habib American Bank, OBU	New York	USD	-	79.00	-	372,695.23	78.30	29,182,036.51
Commerz Bank	Frankfurt	USD	829,142.39	79.00	65,502,248.81	1,840,409.41	78.30	144,104,056.80
Habib American Bank	USA	USD	1,975,505.04	79.00	156,064,898.16	5,056,891.12	78.30	395,954,574.70
Wells Fargo Bank N.A.	New York	USD	2,717,771.44	79.00	214,703,943.76	-	78.30	-
Standard Chartered Bank, OBU	New York	USD	6,614,541.23	79.00	522,548,757.17	-	78.30	-
Wachovia Bank NA	New York	USD	-	79.00	-	3,742,365.94	78.30	293,027,253.10
JP Morgan Chase Bank NA	USA	USD	1,870,012.11	79.00	147,730,956.69	6,948,586.49	78.30	544,074,322.17
Standard Chartered Bank	Mumbai	ACUD	834,022.32	79.00	65,887,763.28	(176,688.78)	78.30	(13,834,731.47)
Sonali Bank	Kolkata	ACUD	122,341.51	79.00	9,664,979.29	64,966.81	78.30	5,086,901.22
AB Bank	Mumbai	ACUD	456,728.03	79.00	36,081,514.37	213,982.96	78.30	16,754,865.77
Nepal Bangladesh Bank	Nepal	ACUD	8,123.75	79.00	641,776.25	8,123.75	78.30	636,089.63
Sampath Bank	Srilanka	ACUD	136,467.22	79.00	10,780,910.38	50,495.35	78.30	3,953,785.91
Bhutan National Bank	Bhutan	ACUD	14,281.17	79.00	1,128,212.43	14,281.17	78.30	1,118,215.61
Bank of Bhutan	Bhutan	ACUD	30,869.54	79.00	2,438,693.66	2,189.54	78.30	171,440.98
Habib Metropolitan Bank Ltd.	Pakistan	ACUD	268,569.14	79.00	21,216,962.06	320,542.94	78.30	25,098,512.20
Dhaka Bank OBU Nostro	OBU	USD	6,000,000.00	79.00	474,000,000.00	15,600,000.00	78.30	1,221,480,000.00
ICICI Bank Limited	India	ACUD	419,248.66	79.00	33,120,644.14	77,931.92	78.30	6,102,069.34
Mashreq Bank	Mumbai	ACUD	1,61,830.42	79.00	12,784,603.18	463,132.99	78.30	36,263,313.12
Union Bank of Switzerland	Switzerland	CHF	82,148.27	80.10	6,579,895.70	79,639.74	79.20	6,307,180.70
Commerz Bank	Frankfurt	EURO	362,088.66	86.36	31,268,455.91	139,335.70	95.14	13,255,757.55
Standard Chartered Bank	Frankfurt	EURO	120,851.93	86.36	10,436,265.10	300,202.41	95.14	28,559,876.36
United S.P.A.	Milano	EURO	46,350.11	86.36	4,002,600.83	38,173.60	95.14	3,631,660.71
Commonwealth Bank of Australia	Sydney	AUD	-	-	-	63,894.76	63.64	4,066,026.12
Commerz Bank	Frankfurt	AUD	54,910.24	57.53	3,159,216.73	-	-	-
Standard Chartered Bank	Japan	JPY	11,651,860.00	0.65	7,624,977.18	26,112,356.00	0.65	16,912,972.98
Standard Chartered Bank	London	GBP	255,345.08	117.02	29,879,383.28	204,434.75	121.47	24,832,218.88
Bank of Nova Scotia	Toronto	CAD	-	-	-	23,485.54	67.21	1,578,460.79
Commerz Bank	Frankfurt	CAD	73,607.85	56.85	4,184,444.34	-	-	-
Al-Rajhi Bank	Saudi Arabia	SAR	273,075.00	21.04	5,745,088.39	402,206.00	20.85	8,386,116.10
					<b>3,488,208,961</b>			<b>4,143,878,648</b>

As per Bangladesh Bank Circular No. FEPD(FEMO)/01/2005-677 dated 13 September 2005, the books of accounts of nostro account are reconciled and there exist no un-reconciled entries that may affect financial statements significantly.



Annexure-B

**Dhaka Bank Limited**  
Investment in Shares  
As at 31 December 2015

Name of the Company	Types of Shares	Face Value	No. of Shares	Cost Price	Average Cost	Quoted Rate per Share as at 31.12.2015	Total Market Value at 31.12.2015
<b>Quoted</b>							
ICB AMCL First Mutual Fund	A	10	356,500	13,737,635	38.535	24.60	8,769,900
				<u>13,737,635</u>			<u>8,769,900</u>
<b>Unquoted</b>							
Acme Laboratories Limited				26,000,000			26,000,000
Bangladesh Fund				200,000,000			200,000,000
				<u>226,000,000</u>			<u>226,000,000</u>
<b>Total</b>				<u>239,737,635</u>			<u>234,769,900</u>

The cost price of investment in shares represents the book value as on 31.12.2015 being ordinary shares of different companies purchased from primary and secondary markets. Due to reduction in market value of shares, a provision of Tk.4,967,735.00 has been kept against the diminution of value of investment.

**Bangladesh Fund**

The Bank invested Tk.200,000,000 in the subscription of 2,000,000 number of units of Tk.100 each of Bangladesh Fund to ICB AMCL as per the decision in the meeting of The Executive Committee of the Board of Directors.

**Dhaka Bank Limited**  
**Detail of information on advances**  
**More than 10 % of bank's total capital (Funded & Non-funded)**

(Taka in Thousand)

Sl. No.	Name of the Client	Outstanding as on 31.12.2015		Total	Remarks
		Funded	Non funded		
1	Fakir Apparels Limited	2,141,386	821,894	2,963,279	-
2	Vosta Lmg- Karnafuly Jvc Ltd.	1,791,909	917,364	2,709,273	-
3	Bangladesh Erectors Ltd.	1,237,817	1,087,319	2,325,136	-
4	Bashundhara Industrial Complex Ltd.	1,723,279	505,769	2,229,048	-
5	Dhaka Bank Securuties Limited	2,059,098	100,000	2,159,098	-
6	Suruj Miah Spinning Mills Ltd	1,945,437	4,829	1,950,266	-
7	Noman Weaving Mills Ltd.	1,238,705	689,261	1,927,966	-
8	United Ashuganj Energy Ltd.	1,755,077	-	1,755,077	-
9	BRAC	1,674,017	-	1,674,017	-
	<b>Total</b>	<b>15,566,725</b>	<b>4,126,435</b>	<b>19,693,160</b>	-





**Dhaka Bank Limited**  
**Schedule of Fixed Assets including premises, furniture & fixtures**  
**As at 31 December 2015**

Particulars	Cost Price			Rate of Dep.	Depreciation			Written Down Value as at 31.12.2015
	Balance as at 01.01.2015	Addition during the year	Transfer/Adjustment during the year		Total as at 31.12.2015	Addition during the year	Transfer/Adjustment during the year	
<b>A. At Cost</b>								
<b>Tangible Assets</b>								
Land	2,301,877,536	-	-	-	-	-	-	2,301,877,536
Building	451,628,137	103,979,519	-	2.5%	39,788,825	12,590,447	-	503,228,384
Furniture & Fixture	366,897,098	43,594,022	-	10%	145,699,638	37,648,153	-	227,143,329
Office Appliances & Equipments	574,275,583	160,016,702	-	20%	307,590,128	96,927,943	-	329,774,214
Computer	187,180,406	15,410,869	-	20%	143,824,730	21,288,139	-	37,478,406
Bank Vehicle	64,439,445	5,488,900	-	20%	43,024,010	9,082,869	-	17,821,467
<b>Intangible Assets</b>								
Software	73,057,500	3,213,761	-	20%	30,084,117	11,982,124	-	34,205,020
<b>Sub Total</b>	<b>4,019,355,705</b>	<b>331,703,774</b>	<b>-</b>	<b>-</b>	<b>710,011,447</b>	<b>189,519,675</b>	<b>-</b>	<b>3,451,528,356</b>
<b>B. Revaluation</b>								
Land	648,455,000	-	-	-	-	-	-	648,455,000
<b>Sub Total</b>	<b>648,455,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>648,455,000</b>
<b>Total 2015 (A+B)</b>	<b>4,667,810,705</b>	<b>331,703,774</b>	<b>-</b>	<b>-</b>	<b>710,011,447</b>	<b>189,519,675</b>	<b>-</b>	<b>4,099,983,356</b>
<b>TOTAL 2014</b>	<b>3,052,350,313</b>	<b>1,621,509,448</b>	<b>(6,049,056)</b>	<b>-</b>	<b>533,861,345</b>	<b>176,764,206</b>	<b>(614,103)</b>	<b>3,957,799,257</b>

**Dhaka Bank Limited**  
**Recovery of loans previously written-off during the year 2015**

(Amount in Taka)

Sl. No.	Name of borrower	Amount written-off	Amount of provision kept at the time of written-off	Suit Value	Amount recovered after loan written-off
1	N. F. Enterprise	9,690,871	8,215,393	12,500,000	450,000
2	Otto Textile Ltd.	268,583,988	157,493,992	280,715,548	37,500,000
3	M/s. Omni Impex	19,104,632	13,161,318	23,559,893	8,000,000
4	M/s. Anudip Autos Limited	43,767,825	32,747,739	40,257,537	4,430,000
5	M/s Pakiza Enterprise	553,838,534	339,602,075	518,741,932	4,790,000
<b>Total</b>		<b>894,985,851</b>	<b>551,220,518</b>	<b>875,774,911</b>	<b>55,170,000</b>

The above figure of Tk.55,170,000 of recovery of written-off loans represents the amount of only corporate clients of the Bank.

**Dhaka Bank Limited**  
**Details of Borrowers for written-off loan during the year 2015**

(Amount In Taka)

Sl. No.	Name of Borrower	Amount written-off	Amount of interest suspense kept at the time of written-off	Amount of provision kept at the time of written-off	Suit Value
<b>Corporate Loan</b>					
1	M/s Power Craft Transport Technology	3,443,292	-	3,443,292	7,417,167
2	M/s Al-Falah Trading & Suppliers	4,669,730	1,130,428	833,726	4,615,299
3	M/s Choice Knit Fabrics	6,791,589	605,145	3,752,454	7,618,775
4	M/s Hridhi Knitwear	2,451,893	143,590	1,971,304	2,120,957
5	M/s Fairway Trading	93,230,198	51,515,637	13,984,530	124,800,378
6	M/s Pakiza Enterprise	553,838,534	134,409,656	339,602,075	518,741,932
7	M/s Siddique Traders	176,337,598	48,220,319	51,321,139	150,287,087
8	M/s. Nipa Enterprise	340,506	132,868	229,196	804,679
9	M/s. Iqbal & Brothers	1,789,290	144,515	1,644,775	4,399,757
10	M/s Khorshed Alam	7,739,692	1,437,215	6,302,477	8,479,369
11	M/s. Prolific Amaze	1,226,906	337,885	889,021	1,485,769
<b>Sub Total</b>		<b>851,859,229</b>	<b>238,077,258</b>	<b>423,973,988</b>	<b>830,771,169</b>
<b>Retail Loan</b>					
1	Consumer Loans	77,819,374	33,569,474	44,249,900	-
2	Credit Cards	11,014,502	1,332,517	9,681,985	-
<b>Sub Total</b>		<b>88,833,876</b>	<b>34,901,991</b>	<b>53,931,885</b>	-
<b>Total</b>		<b>940,693,105</b>	<b>272,979,248</b>	<b>477,905,874</b>	<b>830,771,169</b>



**Related Party Disclosures**

A. i) Name of the Directors and their interest in the Bank as on 31.12.2015:

SI No	Name of Directors	Designation	% of interest as on 31.12.2015
1	Mr. Reshadur Rahman	Chairman	3.37530
2	Mrs. Rokshana Zaman	Vice-Chairperson	2.00201
3	Mr. Abdul Hai Sarker	Director	2.17566
4	Mr. Altaf Hossain Sarker	Director	2.78885
5	Mr. Md. Amirullah	Director	2.00024
6	Mr. Abdullah Al-Ahsan	Director	2.00041
7	Mr. Khondoker Monir Uddin	Director	2.87187
8	Mr. Tahidul Hossain Chowdhury	Director	2.00839
9	Mr. Jashim Uddin	Director	2.00026
10	Mr. Mohammed Hanif	Director	3.04606
11	Mr. Khondoker Jamil Uddin	Director	2.00023
12	Mr. Mirza Yasser Abbas	Director	3.68305
13	Mr. Amanullah Sarker	Director	2.00024
14	Mr. M.N.H. Bulu	Director	2.05346
15	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Nil

i) Name of the Directors and their interest in the Bank as on 31.12.2014:

SI No	Name of Directors	Designation	% of interest as on 31.12.2014
1	Mr. Abdul Hai Sarker	Chairman	2.17566
2	Mrs. Rokshana Zaman	Vice-Chairperson	2.00201
3	Mr. Mirza Abbas Uddin Ahmed	Director	6.16835
4	Mr. Reshadur Rahman	Director	3.34638
5	Mr. Altaf Hossain Sarker	Director	2.78885
6	Mr. Md. Amirullah	Director	2.00024
7	Mr. Abdullah Al-Ahsan	Director	2.00041
8	Mr. Khondoker Monir Uddin	Director	2.87187
9	Mr. Tahidul Hossain Chowdhury	Director	2.00839
10	Mr. Jashim Uddin	Director	2.00026
11	Mr. Mohammed Hanif	Director	3.04606
12	Mr. Khondoker Jamil Uddin	Director	2.00023
13	Mr. Mirza Yasser Abbas	Director	3.68305
14	Mr. Amanullah Sarker	Director	2.00024
15	Mr. Suez Islam	Independent Director	0.29464
16	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Nil



**Related Party Disclosures**

**Name of Directors and their interest in different entities as on 31.12.2015**

Sl. No	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
1	Mr. Reshadur Rahman	Chairman	RR Holdings Ltd. RR Trading & Co. RR Shipping Lines RR Architecture & Engineering Co. National Traders Alliance Deep Sea Fishing Ltd. Alliance Bags Ltd. Quality Breeders Ltd. Quality Grains Ltd. Trade Hub Bangladesh Ltd. Dhaka Bank Securities Ltd.	Managing Director Proprietor Proprietor Proprietor Proprietor Shareholder Shareholder Shareholder Shareholder Chairman Chairman
2	Mrs. Rokshana Zaman	Vice-Chairperson	Dhaka Enterprise M/s. Manehor Fisheries Dhaka Bank Securities Ltd.	Proprietress Proprietress Director
3	Mr. Abdul Hai Sarker	Director	Shohagpur Textile Mills Ltd. Purbani Fabrics Ltd. Karim Textiles Ltd. Purbani Traders. Purbani Yarn Dyeing Ltd. Karim Spinning Mills Ltd. Purbani Synthetic Spinning Mills Ltd. Purbani Rotor Spinning Ltd. Purbani Fisheries. Purbani Fashion Ltd. Purbani Agro Processing Ltd. Dhaka Bank Securities Ltd.	Chairman & Managing Director Chairman Chairman Proprietor Chairman Chairman Chairman & Managing Director Chairman Proprietor Chairman Chairman Director
4	Mr. Altaf Hossain Sarker	Director	Rahmat Textiles Ltd. Rahmat Spinning Mills Ltd. Belkuchi Spinning Mills Ltd. China Plastic (BD.) Ltd. Rahmat Plastic and Accessories Ltd. Rahmat Knit Dyeing & Finishing Ltd. Rahmat Sweaters (BD) Ltd. Logos Apparels Ltd. Dhaka Bank Securities Ltd.	Managing Director Chairman Chairman Chairman Chairman Managing Director Director Advisor Director
5	Mr. Mohammed Hanif	Director	Hanif Steels Ltd. Hanif Spinning Mills Ltd. National Foundry & Engineering Works (Pvt.) Ltd.	Managing Director Managing Director Managing Director Director
6	Mr. Md. Amirullah	Director	Dhaka Bank Investment Ltd.	Director
7	Mr. Abdullah Al-Ahsan	Director	Aroma Poultry. Aroma Fisheries Ltd.	Director Director



Sl. No	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
8	Mr. Khondoker Monir Uddin	Director	Shanta Apparel Ltd. Shanta Medical Centre Ltd. Shanta Washing Plants Ltd. Shanta Properties Ltd. Universal Business Machines Ltd. STS Holdings Ltd. STS Educational Group Ltd. Shanta Holdings Ltd. GDS Chemical Bangladesh (Pvt.) Ltd. Shanta Securities Ltd.	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director
9	Mr. Tahidul Hossain Chowdhury	Director	Riotex Ltd. Jerat Fashion Ltd. Jerat Shirt Ltd. Central Hospital Ltd. HURDCO International Ltd. Hotel Victory Ltd. Dhaka Bank Investment Ltd.	Chairman Managing Director Chairman Director Director Managing Director Director
10	Mr. Jashim Uddin	Director	Impel Shares & Securities Ltd. Rafid Enterprise HURDCO International Ltd.	Chairman Proprietor Director
11	Mr. Khondoker Jamil Uddin	Director	A & A Accessories Limited. JAAZ Concerns Ltd. Executive Attire Ltd. Green Field Tea Estate Ltd. OK Mobile Ltd. Shanta Garments Ltd. STS Holdings Ltd. GDS Chemical Bangladesh (pvt.) Ltd. Universal Business Machines Ltd. Citizen Securities Ltd. Apollo Hospitals Dhaka Ltd. International School Dhaka. Delhi Public School, STS Education Group Ltd. Dhaka Bank Investment Ltd.	Chairman Chairman Chairman Chairman Chairman Chairman Director Director Director Director Director Director Director Sponsor Director Sponsor Director Sponsor Director Sponsor Director Chairman
12	Mr. Mirza Yasser Abbas	Director	Dhaka Bank Investment Ltd. Mirza Enterprise	Director Executive
13	Mr. Amanullah Sarker	Director	Rahmat Textiles Ltd. Rahmat Spinning Mills Ltd. Belkuchi Spinning Mills Ltd. China Plastic (BD.) Ltd. Rahmat Plastic and Accessories Ltd. Rahmat Knit Dyeing & Finishing Ltd. Rahmat Sweaters (BD) Ltd.	Director Managing Director Director Director Managing Director Director Director
14	Mr. M.N.H Bulu	Director	National Chemical Industries Ltd. Nawshin Vinyl Industries Ltd. Abico Industries Ltd. Rumki Industries Ltd. BNS Ceramic Industries Ltd. BNS Chemical Industries Ltd. BNS BOPP Tape and Adhesive Industries Ltd.	Managing Director Proprietor Chairman Managing Director Chairman & Managing Director Chairman & Managing Director Chairman & Managing Director





Sl. No	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
			Shafkat PVC Sole Industries Ltd. BNS DOP & Chemical Industries Ltd. Bulu International Oishee International Company Ltd. Bulu Trading Corporation Bulu Enterprise Bulu Traders BNS International Co. Boss PVC Vinyl Industries	Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor
15	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Trade Hub (Bangladesh) Ltd. Financial Excellence Ltd.	Managing Director Director

iv) Share issued to Directors & Executives without consideration or exercisable at discount: **Nil**

v) Related party Transactions: **Tk. 3,805,974**

vi) Lending Policies to related parties:

Lending to related parties is effected as per requirements of Section 27 (1) of Bank Companies Act 1991 (Amended up to July 2013).

vii) Loans and Advances to Directors and their related concern: **Tk. 3,805,974**

viii) Business other than Banking business with any related concern of the Directors as per Section 18 (2) of Bank Companies Act 1991 (Amended up to July 2013):

**Lease agreement:**

Lease agreement for Uttara Branch and Data Recovery Center of the Bank was executed with Mr. A.T.M. Hayatuzzaman Khan, Land Owner who is the Husband of Mrs. Rokshana Zaman, Vice Chairperson of the Bank.

**Service provider:**

Omni Technologies, a service provider company which provides various sorts of services to the Bank has Mr. Hasanuzzaman as a Director in its board who is the son of Mrs. Rokshana Zaman, Vice Chairperson of the Bank.

ix) Investments in the Securities of Directors and their related concern: **Nil**

**Dhaka Bank Limited**  
**Statement of Tax Position of Dhaka Bank Limited**  
**As at 31 December 2015**

Sl. No.	Assessment Year	Income Year	Provision for income tax as per accounts	Total tax paid	Provision excess/ (shortage)	Further claimed by tax authority	Tax paid for tribunal & high court	Remaining tax liability	Present status
1	2005-2006	2004	275,000,000	251,338,711	22,264,047	27,944,842	1,397,242	26,547,600	Re-opened U/S:120 Filed Appeal to Honorable High Court
2	2006-2007	2005	305,000,000	287,430,386	15,379,758	43,797,123	2,189,856	41,607,267	Re-opened U/S:120 Filed Appeal to Honorable High Court
3	2007-2008	2006	370,000,000	455,657,668	(86,484,543)	16,537,501	826,875	15,710,626	Re-opened U/S:120 Filed Appeal to Honorable High Court
4	2008-2009	2007	827,127,829	775,887,042	31,105,997	127,430,746	20,134,790	107,295,956	Filed Appeal to Honorable High Court
5	2009-2010	2008	1,025,132,803	948,021,327	62,791,713	99,289,991	14,319,763	84,970,228	Filed Appeal to Honorable High Court
6	2010-2011	2009	1,176,070,227	1,033,362,354	121,007,254	123,759,180	21,700,619	102,058,561	Filed Appeal to Honorable High Court
7	2011-2012	2010	1,238,519,148	1,178,120,075	414,057	160,348,772	59,985,016	100,363,756	Filed Appeal to Honorable High Court
8	2012-2013	2011	1,488,500,000	1,391,529,539	85,511,470	74,218,389	11,458,991	62,759,398	Filed Appeal to Honorable High Court
9	2013-2014	2012	759,226,556	759,226,556	-	128,958,461	-	128,958,461	Filed Appeal to Commissioner of Taxes (Appeal)
10	2014-2015	2013	1,096,530,432	913,596,502	182,933,929	62,832,663	-	62,832,663	Filed Appeal to Commissioner of Taxes (Appeal)
11	2015-2016	2014	1,191,845,133	1,142,636,345	49,208,788	-	-	-	Case settled after DCT Level & Tax Clearance Certificate received
<b>Total</b>			<b>8,561,106,995</b>	<b>7,994,170,161</b>	<b>434,923,682</b>	<b>865,117,668</b>	<b>132,013,152</b>	<b>733,104,516</b>	

### Distribution of Profit under Islamic Banking Operation

Dhaka Bank operating two Islamic Banking branches in complying with the rules of Islamic shariah, which absolutely prohibits receipts of and payments of interest in any form. The modus operandi of these two branches is totally different from other conventional branches. A separate balance sheet and income statement are being maintained as recommended by the Central Shariah Board for Islamic Banking in Bangladesh.

### Final Rates on Mudaraba Deposit Products of Islamic Banking for the Year 2015

Dhaka Bank Limited has successfully completed the business year 2015 and declared final profit rates on various Mudaraba Deposits Accounts for the year 2015 to the depositors.

The final rates of various Mudaraba Deposits Accounts of Banks as per approved weight age for the year 2015 have come up lower than declared provisional profit rates of Mudaraba Deposits Accounts except Mudaraba Savings Deposit.

As per recommendation of the Shariah Supervisory Committee final rate of Mudaraba Savings Deposit Account as per approved weight age and declared provisional profit rates of other Mudaraba Deposit Accounts for the year 2015 is hereby declared as final rates considering present market position.

Sl. No.	Type of Deposit	Weight age	Final Rate For the Year 2015
1.	Mudaraba Savings Deposit	0.75	4.41
2.	Mudaraba Savings Deposit For Bank	0.70	3.50
3.	Mudaraba Short Notice Deposit	0.50	3.50
4.	Mudaraba Term Deposit Account		
	36 Months		-
	24 Months		-
	12 Months	0.98	6.85
	6 Months	0.92	7.00
	3 Months	0.90	7.00
	1 Months	0.85	7.00
	Bank	0.80	4.00
5.	Mudaraba Hajj Savings Scheme	1.10	9.50
6.	Mudaraba Special Deposit Scheme	1.00	10.00
7.	Mudaraba Deposit Pension Scheme	1.10	8.50



**Dhaka Bank Limited**  
**(Islamic Banking)**  
**Balance Sheet**  
**As at 31 December 2015**

	Notes	31.12.2015 Taka	31.12.2014 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	1	471,053,532	314,087,499
Cash in hand (including foreign currencies)		30,418,068	26,807,998
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		440,635,463	287,279,501
<b>Balance with other banks and financial institutions</b>	2	-	1,200,000,000
In Bangladesh		-	1,200,000,000
Outside Bangladesh		-	-
<b>Money at call and on short notice</b>		-	-
<b>Investment in securities</b>		330,000,000	250,000,000
<b>Investments</b>	3	4,745,571,704	4,505,039,890
General Investments	3.1	4,668,952,304	4,390,323,755
Bills Discounted and Purchased	3.2	76,619,400	114,716,135
<b>Fixed assets including premises, furniture and fixtures</b>	4	26,629,403	29,663,921
<b>Other Assets</b>	5	2,689,554,668	189,625,583
<b>Non-Banking Assets</b>		-	-
<b>Total Assets</b>		<u>8,262,809,306</u>	<u>6,488,416,893</u>
<b>LIABILITIES AND CAPITAL</b>			
<b>LIABILITIES</b>			
<b>Borrowings from other banks / financial Institutions and agents</b>	6	138,340,930	1,427,719,325
<b>Deposits and Other Accounts</b>	7	7,479,680,989	4,393,704,888
Current Accounts & Other Accounts		187,369,342	153,245,158
Bills Payable		28,238,623	22,573,324
Savings Bank Deposits		2,295,104,649	898,184,835
Term Deposits		4,968,968,375	3,319,701,571
<b>Other Liabilities</b>	8	644,787,387	666,992,680
<b>Total Liabilities</b>		<u>8,262,809,306</u>	<u>6,488,416,893</u>



**Off-balance Sheet Items**

**Contingent Liabilities**

Acceptances and Endorsements  
Letter of Credit  
Letter of Guarantee  
Bills for Collection  
Other Contingent Liabilities

**Other Commitments**

Documentary credit and short term trade-related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving underwriting facilities  
Undrawn formal standby facilities, credit lines and other commitments

**Total off-balance sheet items including contingent liabilities**

Notes	31.12.2015 Taka	31.12.2014 Taka
	764,354,357	307,145,503
	471,342,049	407,800,370
	63,437,100	70,543,470
	917,641,133	316,198,756
	-	-
	<b>2,216,774,639</b>	<b>1,101,688,099</b>
	-	-
	-	-
	-	-
	-	-
	<b>2,216,774,639</b>	<b>1,101,688,099</b>

The annexed notes form an integral part of these financial statements.

**Dhaka Bank Limited**  
**(Islamic Banking)**  
**Profit and Loss Account**  
**For the year ended 31 December 2015**

	Notes	2015 Taka	2014 Taka
<b>OPERATING INCOME</b>			
Profit Received from Investment	9	518,665,155	447,237,433
Profit Paid on Deposits & Borrowings	10	504,042,563	467,930,464
<b>Net Investment Income</b>		<b>14,622,593</b>	<b>(20,693,031)</b>
Commission, Exchange Earnings & Brokerage	11	28,255,875	27,465,405
Other Operating Income	12	8,050,952	17,749,444
		36,306,827	45,214,849
<b>Total Operating Income ( A )</b>		<b>50,929,419</b>	<b>24,521,818</b>
<b>Operating Expenses</b>			
Salary & Allowance	13	27,323,688	27,907,634
Rent, Taxes, Insurance, Lighting etc.	14	10,344,232	9,499,505
Legal Expenses		559,082	311,310
Postage, Stamp, Telecommunication etc.	15	904,346	927,495
Stationery, Printing, Advertisement etc.	16	969,767	1,205,577
Shariah Council Meeting Expenses		116,168	88,565
Depreciation of Bank's Assets	17	3,514,748	3,388,338
Repair of Bank's Assets	18	1,066,760	1,033,111
Other Expenses	19	4,631,653	4,384,378
<b>TOTAL Operating Expenses ( B )</b>		<b>49,430,444</b>	<b>48,745,913</b>
<b>Operating Profit During the Year ( A - B )</b>		<b>1,498,976</b>	<b>(24,224,095)</b>

The annexed notes form an integral part of these financial statements.



**Dhaka Bank Limited**  
**(Islamic Banking)**  
 Notes to the Financial Statements  
 For the year ended 31 December 2015

	31.12.2015 Taka	31.12.2014 Taka
<b>1. Cash</b>		
Cash in hand (Note: 1.1)	30,418,068	26,807,998
Balance with Bangladesh Bank and its agent bank(s) (Note: 1.2)	440,635,463	287,279,501
	<b>471,053,532</b>	<b>314,087,499</b>
<b>1.1 Cash in hand</b>		
In Local Currency	30,418,068	26,195,692
In Foreign Currencies	-	612,306
	<b>30,418,068</b>	<b>26,807,998</b>
<b>1.2 Balance with Bangladesh Bank and its agent bank(s)</b>		
In Local Currency		
Al-Wadiah Current Account	440,635,463	287,279,501
In Foreign Currencies	-	-
	<b>440,635,463</b>	<b>287,279,501</b>
<b>2. Balance with other banks and financial institutions</b>		
<b>In Bangladesh</b>		
Mudaraba Term Deposits		
Social Investment Bank Limited	-	300,000,000
Shahjalal Islami Bank Limited	-	-
Al-Arafah Islamic Bank Limited	-	900,000,000
Islamic Hajj Finance	-	-
	-	1,200,000,000
<b>Outside Bangladesh</b>	-	-
	<b>-</b>	<b>1,200,000,000</b>
<b>3. Investments</b>		
General Investments	4,668,952,304	4,390,323,755
Bills Purchased & Discounted	76,619,400	114,716,135
	<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.1 General Investments</b>		
<b>In Bangladesh</b>		
Murabaha (Purchase Order)	1,422,392,453	1,115,085,422
Murabaha (Term Financing)	1,110,708,844	1,082,446,736
MPI Trust Receipt	407,931,840	412,890,502
Murabaha Import Bill (PAD)	-	-
Bai Muajjal	1,352,851,374	1,355,985,160
Ijara (Lease Financing) (Note-3.5)	36,954,334	40,599,039
Shirkatul Mulk (Hire Purchase)	318,061,093	357,473,345
Others	20,052,366	25,843,551
	<b>4,668,952,304</b>	<b>4,390,323,755</b>
<b>Outside Bangladesh</b>	-	-
	<b>4,668,952,304</b>	<b>4,390,323,755</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>3.2 Bills Purchased &amp; Discounted</b>		
<u>Payable in Bangladesh:</u>		
Inland bills purchased	75,894,812	114,716,135
<u>Payable outside Bangladesh:</u>		
Foreign bills purchased & discounted	724,588	-
	<b>76,619,400</b>	<b>114,716,135</b>
<b>3.3 Residual maturity grouping of investments including bills purchased and discounted</b>		
Repayable on Demand	719,398,274	1,024,031,395
Not more than 3 months	1,950,136,352	1,647,549,412
More than 3 months but not more than 6 months	759,997,759	600,615,277
More than 6 months but not more than 1 year	280,248,554	68,006,525
More than 1 year but not more than 5 years	778,876,810	883,109,808
More than 5 years	256,913,954	281,727,473
	<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.4 Maturity grouping of bills purchased &amp; discounted</b>		
Payable within 1 month	49,046,903	68,333,333
Over 1 month but less than 3 months	17,015,239	46,114,022
Over 3 months but less than 6 months	10,557,258	268,780
6 months or more	-	-
	<b>76,619,400</b>	<b>114,716,135</b>
<b>3.5 Investment in lease / izara finance</b>		
Lease rental receivable within 1 year	31,511,921	28,983,038
Lease rental receivable within more than 1 year	7,864,823	13,314,320
<b>Total lease/ izara rental receivable</b>	<b>39,376,744</b>	<b>42,297,358</b>
Less: unearned interest receivable	2,422,411	1,698,319
<b>Net investment in lease/izara finance</b>	<b>36,954,334</b>	<b>40,599,039</b>
<b>3.6 Investments on the basis of significant concentration including bills purchased &amp; discounted</b>		
a. Investments to allied concerns of Directors;	-	-
b. Investments to Chief Executive	-	-
c. Investments to Other Senior Executives	2,041,472	270,822
d. <u>Investments to Customer's Group:</u>		
Agriculture investments	-	-
Commercial lending	4,158,716,056	3,843,605,036
Export financing	193,130,205	325,846,745
Consumer credit scheme	38,330,472	11,517,058
Special Program Loan (SME)	335,342,605	298,227,500
Staff investments	18,010,894	25,572,729
Others	-	-
	<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.7 Investments under the following broad categories</b>		
Investments	3,316,100,930	3,034,338,596
Bai Murabaha/ Bai Muajjal	1,352,851,374	1,355,985,160
	4,668,952,304	4,390,323,755
Bills Purchased and discounted	76,619,400	114,716,135
	<b>4,745,571,704</b>	<b>4,505,039,890</b>



**3.8 Industry - wise investments including bills purchased & discounted**

	31.12.2015 Taka	31.12.2014 Taka
Agricultural Industries	-	-
Pharmaceuticals Industries	-	-
Textile & Garment Industries	1,817,631,169	1,802,327,035
Chemical Industries	9,157,812	3,470,663
Food & Allied Industries	369,854,487	189,291,328
Transport & Communication	6,144,367	82,867,279
Electronics & Automobile Industries	-	-
Housing & Construction Industries	203,218,318	153,696,847
Engineering & Metal Industries including Ship Breaking	1,762,539,388	1,675,036,768
Energy & Power Industries	327,625,050	327,625,050
Service Industries	19,563,573	16,074,591
Other Industries	229,837,540	254,650,330
	<b>4,745,571,704</b>	<b>4,505,039,890</b>

**3.9 Geographical Location - wise investments**

Dhaka Region	2,401,520,078	2,361,550,999
Chittagong Region	2,344,051,626	2,143,488,891
Sylhet Region	-	-
Other	-	-
	<b>4,745,571,704</b>	<b>4,505,039,890</b>

**3.10 Sector - wise investments**

<b>In Bangladesh</b>		
Government & Autonomous bodies	-	-
Financial Institutions (Public & Private)	-	-
Other Public Sector	-	-
Private Sector	4,745,571,704	4,505,039,890
	<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>Outside Bangladesh</b>		
	-	-
	<b>4,745,571,704</b>	<b>4,505,039,890</b>

**3.11 Classification of investments**

Unclassified (including staff loan)	4,109,040,726	3,354,912,762
Sub-Standard	-	-
Doubtful	-	-
Bad or loss	636,530,978	1,150,127,128
	<b>4,745,571,704</b>	<b>4,505,039,890</b>

**3.12 Provision required for investments**

<u>Status</u>	<u>Rate %</u>		
Unclassified	0.25, 1, 2.5 & 100	569,737,874	258,948,567
Special Mention Account	0.25, 1	569,737,874	706,251
		<b>1,139,475,749</b>	<b>259,654,818</b>
<b>Classified:</b>			
Sub-Standard	20	-	-
Doubtful	50	-	-
Bad or loss	100	331,671,758	280,881,618
		<b>331,671,758</b>	<b>280,881,618</b>
Required provision for investments		<b>1,471,147,506</b>	<b>540,536,436</b>
Total provision maintained		<b>1,471,147,506</b>	<b>540,536,436</b>
Excess / short provision as at 31 December		-	-



**3.13 Securities against investments including bills purchased & discounted**

 a. Secured

Collateral of movable / immovable assets
Local Banks & Financial Institutions guarantee
Government Guarantee
Foreign Banks Guarantee
Export documents
<u>Fixed Deposits Receipts</u>
1 Own FDR
2 FDR of Other Banks
Government bonds
Personal Guarantee
Other Securities

 b. Unsecured

	31.12.2015 Taka	31.12.2014 Taka
3,217,061,179	3,217,061,179	2,900,358,715
75,894,812	75,894,812	114,716,135
-	-	-
724,588	724,588	-
-	-	-
-	-	-
-	-	-
-	-	-
51,736,912	51,736,912	374,879,618
1,400,154,213	1,400,154,213	1,115,085,422
<b>4,745,571,704</b>	<b>4,745,571,704</b>	<b>4,505,039,890</b>
-	-	-
<b>4,745,571,704</b>	<b>4,745,571,704</b>	<b>4,505,039,890</b>

**3.14 Particulars of Loans and Advances**

(i) Investments considered good in respect of which the bank company is fully secured;	1,685,149,989	1,564,895,492
(ii) Investments considered good against which the banking company holds no security other than the debtor's personal guarantee;	50,738,507	27,747,573
(iii) Investments considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	1,665,915,023	1,485,080,758
(iv) Investments adversely classified; provision not maintained thereagainst;	-	-
(v) Investments due by directors or officers of the banking company or any of these either separately or jointly with any other persons;*	20,052,366	25,843,551
(vi) Investments due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-
(vii) Maximum total amount of investments including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	27,108,088	26,960,826
(viii) Maximum total amount of investments including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	-	-
(ix) Due from banking companies;	-	-
(x) Amount of classified investments on which interest has not been charged, should be mentioned as follows:	-	-
a) Decrease / increase in provision;	50,790,139	189,080,335
b) Amount realized against investments previously written off;	-	-
c) Amount of provision kept against investments classified as "bad/loss" on the date of preparing the balance sheet;	331,671,758	280,881,618
d) Profit creditable to the Profit Suspense A/c;	-	-
(xi) Cumulative amount of the written off investments;	400,020,582	400,020,582

**4. Premises and Fixed Assets**

	31.12.2015 Taka	31.12.2014 Taka
Land	277,000	277,000
Building	24,323,000	24,323,000
Furniture and Fixture including Office decoration	5,030,760	5,030,760
Office Appliances & Equipment	11,670,120	11,321,591
Computer	3,031,764	3,322,023
Software	421,959	-
Bank's Vehicle	-	-
	<b>44,754,603</b>	<b>44,274,374</b>
Less: Accumulated depreciation	18,125,201	14,610,453
	<b>26,629,403</b>	<b>29,663,921</b>

**5. Other Assets**

Stationery, stamps, printing materials etc.	244,636	313,264
Profit accrued on investment but not collected,	16,935,000	16,935,000
Advance rent	8,093,896	9,442,878
Security deposit;	315,000	315,000
Preliminary, formation and organization expenses, renovation / development expenses and prepaid expenses	482,197	631,101
Branch Adjustments	2,660,922,003	141,707,709
Suspense Account	104,415	54,201
Others	2,457,522	20,226,430
	<b>2,689,554,668</b>	<b>189,625,583</b>

**6. Borrowings From Other Banks, Financial Institutions & Agents**
**Bangladesh Bank refinance**

Export development fund	138,340,930	227,719,325
Islami Investment bond's fund	-	1,200,000,000
	<b>138,340,930</b>	<b>1,427,719,325</b>

Dhaka Bank Limited received Investment Bond's Fund from Bangladesh Bank against Mudaraba Term Deposit Receipt (MTDR) as per Bangladesh Bank Circular No. FRTMD(PDS)146/2004-15 dated 15.09.2004.

**7. Deposits & Other Accounts**
**7.1 Current and Other Accounts**

Current Account	101,120,746	106,989,264
Foreign Currency Deposits	1,793,968	375,425
Margin under Letter of Credit	1,189,520	14,590,947
Margin under Letter of Guarantee	5,211,137	6,440,350
Deposits Awaiting Disposal	42,479	4,807,219
Sundry Deposit	78,011,491	20,041,953
	<b>187,369,342</b>	<b>153,245,158</b>

**7.2 Bills Payable**

Pay Order	28,238,623	22,573,324
Demand Draft	-	-
	<b>28,238,623</b>	<b>22,573,324</b>

**7.3 Savings Deposits**

Mudaraba Savings Accounts	<b>2,295,104,649</b>	<b>898,184,835</b>
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**7.4 Term Deposits**

Mudaraba Special Notice Deposits	
Mudaraba Term Deposits	
Mudaraba Deposit Pension/Hajj Savings Scheme	

31.12.2015 Taka	31.12.2014 Taka
208,641,667	58,947,098
4,258,628,413	2,887,516,472
501,698,295	373,238,001
<b>4,968,968,375</b>	<b>3,319,701,571</b>

**8. Other Liabilities**

Accrued Interest	
Profit Suspense Account	
Provision against Expenses	
Finance from OBU for Bill Discounting	
Tax/VAT deducted at source & payable	
Excise Duty Payable	
Others	

-	5,137,595
561,580,251	553,442,732
-	77,000
66,898,233	96,443,398
7,791,461	3,236,129
3,524,767	4,288,487
4,992,676	4,367,340
<b>644,787,387</b>	<b>666,992,680</b>

2015 Taka	2014 Taka
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**9. Profit received from Investment**

Murabaha Term Loan	
Loan against Imported Merchandise/Murabaha	
Loan against MPI Trust Receipt	
Cash Credits / Bai-Murabaha	
Murabaha Import Bill (PAD)	
House Building Loan	
Transport Loan	
Hire Purchase/Shirkatul Mulk	
<b>Total Profit received from Investment</b>	
Fund Placement with banks	
Inter Branch Profit received	

40,562,910	31,838,418
22,373	280,472
1,451,269	3,223,319
192,099,808	174,821,283
-	6,313,109
882,448	1,188,541
501,839	518,510
48,278,807	73,716,386
<b>283,799,454</b>	<b>291,900,038</b>
-	25,535,556
234,865,701	129,801,839
<b>518,665,155</b>	<b>447,237,433</b>

**10. Profit Paid On Deposits & Borrowings**

Mudaraba Savings Account	
Special Notice Deposits	
Term Deposits	
Mudaraba Deposit Pension / Hajj Savings Scheme	
Inter Branch Profit paid	
Borrowing & Fund Placement	

67,051,347	23,084,230
4,733,852	2,696,746
313,641,954	316,416,356
46,634,233	36,606,705
37,567,745	6,105,414
34,413,431	83,021,013
<b>504,042,563</b>	<b>467,930,464</b>

**11. Commission / Fees, Exchange Earnings & Brokerage**

Commission on L/C	
Commission on L/G	
Commission on Remittance / Bills	
Processing Fee Consumer Loan	
Other Commission / Fees	
Exchange gain including gain from foreign currency dealings	

13,575,225	11,818,885
787,234	1,473,162
120,844	170,192
59,500	134,500
10,195,013	3,777,965
3,518,059	10,090,701
<b>28,255,875</b>	<b>27,465,405</b>





**12. Other Operating Income**

Profit on Govt. Islamic Bond  
Postage charge recoveries  
Incidental charges  
Supervision & monitoring charges  
ATM charges realised  
Swift charge recoveries

2015 Taka	2014 Taka
2,528,750	13,571,468
300,071	2,417,376
1,373,441	1,156,600
2,996,254	19,000
167,400	129,000
685,035	456,000
<b>8,050,952</b>	<b>17,749,444</b>

**13. Salary and Allowances**

Basic Salary  
Allowances  
Bonus & Ex-gratia  
Leave Fare Assistance  
Gratuity Expense  
Bank's contribution to Provident Fund

8,901,143	9,462,233
12,207,500	11,903,615
1,567,722	1,576,477
1,519,086	1,577,075
2,228,376	2,464,937
899,860	923,297
<b>27,323,688</b>	<b>27,907,634</b>

**14. Rent, Taxes, Insurance, Lighting Etc.**

Office Rent  
Electricity and Lighting  
Regulatory Charges  
Insurance

6,792,875	6,593,971
1,210,543	1,113,469
45,160	25,161
2,295,654	1,766,904
<b>10,344,232</b>	<b>9,499,505</b>

**15. Postage, Stamps, Telecommunication Etc.**

Stamps, Postage & Courier  
Telephone Charges  
Fax, Internet, Radio Link, & DDN Charges

144,244	167,400
170,731	192,554
589,371	567,541
<b>904,346</b>	<b>927,495</b>

**16. Stationery, Printing, Advertisement Etc.**

Table Stationery  
Printing Stationery  
Security Stationery  
Computer Stationery  
Advertisement

247,949	172,367
336,789	297,174
177,038	170,935
176,888	172,395
31,104	392,706
<b>969,767</b>	<b>1,205,577</b>

**17. Depreciation of Bank's Assets**

Land  
Building  
Furniture & Fixture  
Office Appliance & Equipment  
Computer  
Software  
Motor Vehicle

-	-
608,075	538,246
501,124	501,124
2,133,622	2,022,600
223,402	266,731
48,525	59,637
-	-
<b>3,514,748</b>	<b>3,388,338</b>

**18. Repair & Maintenance of Bank's Assets**

Office Premises  
Office Equipment  
Office Furniture  
Computer & Office Appliances

2015 Taka	2014 Taka
266,659	178,034
327,443	339,057
13,570	77,900
459,089	438,120
<b>1,066,760</b>	<b>1,033,111</b>

**19. Other Expenses**

Contractual Service Charge  
Petrol, Oil and Lubricants  
Entertainment: canteen & other  
Travelling  
Conveyance  
Training Expenses  
Books and Papers  
WASA Charges  
Staff Uniform  
Potted Plants  
Branch Opening Expenses  
ATM Network Service Charges  
Miscellaneous expenses

3,374,613	3,370,336
104,720	101,980
438,582	404,957
152,608	109,803
181,216	145,244
33,400	46,500
16,879	13,264
74,360	60,840
31,025	28,600
62,850	66,300
-	-
146,700	-
14,700	36,554
<b>4,631,653</b>	<b>4,384,378</b>

**Disclosures on Risk Based Capital**  
(Under Pillar-3 of Basel-III Framework)  
**For the year ended 31 December 2015**

**BACKGROUND**

The Disclosure on Risk Based Capital (under pillar 3 of Basel III framework) has been prepared in accordance with the Guidelines on 'Risk Based Capital Adequacy' published by Bangladesh Bank on December 2014. These disclosures are purported to affirm the information on Minimum Capital Requirement (MCR) under Pillar 1 and Supervisory Review Process (SRP) under Pillar 2 and ensure transparency about the capital adequacy of the Bank, capital adequacy framework, risk assessment and mitigation methodologies, risk exposure in various spectrum so that the stakeholders of the industry can examine the risk related compliance of the Bank.

**1. SCOPE OF APPLICATION****1.1 Qualitative Disclosure**

- a) The Risk Based Capital Adequacy and related disclosures are applicable for **Dhaka Bank Limited** which is the top corporate entity of the group which has 2 (two) subsidiaries- Dhaka Bank Securities Limited and Dhaka Bank Investment Limited.
- b) **Brief Description of the Subsidiaries**

**1. Dhaka Bank Securities Limited**

Dhaka Bank Securities Limited (the name of company has been changed from DBL Securities Limited to Dhaka Bank Securities Limited dated 27 April 2014) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-85857/10 dated 19 July 2010 as a Private Company Limited by Shares having its registered office at Adamjee Court (1st Floor), 115-120, Motijheel C/A, Dhaka -1000. The company is the Trading Right Entitlement Certificate (TREC) holder of both the stock exchanges of the country (TREC No. 193 in DSE and TREC No. 081 in CSE). The Company commenced its business operations from 13 February 2011 as a wholly owned subsidiary of Dhaka Bank Limited.

**2. Dhaka Bank Investment Limited**

Dhaka Bank Investment Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-112730/13 dated 02 December, 2013 as a Private Company Limited by Shares having its registered office at Biman Bhaban (1st Floor), 100, Motijheel C/A, Dhaka -1000. The company is yet to obtain registration certificates from Securities and Exchange Commission.

**Basis for Consolidation**

The quantitative disclosures are made on the basis of consolidated audited financial statements of the bank and its subsidiaries as at and for the year ended December 31, 2015. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard-27 "Consolidated and Separate Financial Statements". The consolidated financial statements are prepared to a common financial year ended 31 December 2015.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transaction between Groups is also eliminated on consolidation.



- c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group: **Not applicable.**

## 1.2 Quantitative Disclosure

- d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group: **Not applicable**

## 2. CAPITAL STRUCTURE

### 2.1 Qualitative Disclosure

Under Basel-III Accord regulatory capital of a bank will be categorized into three tiers:

(a) Tier -1 Capital/Core Capital, (b) Tier-2 Capital/Supplementary Capital, and (c) Tier-3 Capital/Additional Supplementary Capital.

Total eligible regulatory capital of Dhaka Bank Limited consists of partly Tier-1 Capital and partly Tier-2 Capital. Almost 82.06% (Solo basis) of total eligible capital is Tier-1 or core capital, which comprises of Paid-up Capital, Statutory Reserve, Retained Earnings, General Reserve etc. On the other hand, Tier-2 or supplementary capital (comprises of Non-convertible Subordinated Bond, General Provision, Asset Revaluation Reserve, and Revaluation Reserves for Securities) is 17.94% of total eligible capital and almost 21.87% of Tier-1 capital.

#### Non-convertible Subordinated Bond

Dhaka Bank Limited issued Redeemable Non Convertible Subordinated Bond of **BDT 2,000,000,000** for a term of 7 years to strengthen the capital base of the bank on the consent of SEC vides letter no.SEC/CI/CPLC-10/2001-256 dated 09.09.2010. As per BRPD Circular No. 10/2002 and BRPD Circular No. 13/2009 issued by Bangladesh Bank, among the total BDT 2,000,000,000 of Subordinated Bond, BDT 800,000,000 i.e. 6.33% of Tier-I capital has been considered as a component of Supplementary Capital (Tier-2) of the Bank.

### 2.2 Quantitative Disclosure

Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
<b>A.</b>	<b>Tier-1 Capital (Going-Concern Capital):</b>		
	<b>Common Equity Tire- 1 Capital (CET- 1)</b>		
	Fully Paid-up Capital	625.36	625.36
	Statutory Reserve	530.07	530.07
	General Reserve	16.03	16.03
	Retained Earnings	126.51	96.24
	Minority Interest in Subsidiaries	0.00	0.00
	<b>Sub-Total:</b>	<b>1,297.97</b>	<b>1,267.70</b>
	<b>Less : Regulatory Adjustment:</b>		



Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
	Book value of Goodwill and value of all other Intangible Assets**	3.42	3.42
	Deferred Tax Assets (DTA)	0.18	0.00
	<b>Sub-Total:</b>	<b>3.60</b>	<b>3.42</b>
	<b>Total Common Equity Tire- 1 Capital (CET 1)</b>	<b>1,294.37</b>	<b>1,264.28</b>
	<b>Additional Tire- 1 Capital (AT- 1)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Tier-1 Capital (A):</b>	<b>1,294.37</b>	<b>1,264.28</b>
<b>B.</b>	<b>Tier-2 Capital (Gone Concern Capital):</b>		
	General Provision (including provision for Off-Balance Sheet	170.17	168.00
	Assets Revaluation Reserves up to 80%	25.94	25.94
	Revaluation Reserve for HTM & HFT Securities (up to 80%)	2.53	2.53
	Non-convertible Subordinated Bond	80.00	80.00
	<b>Sub Total:</b>	<b>278.63</b>	<b>276.47</b>
	<b>Less : Regulatory Adjustment</b>	-	-
	<b>Total Tier-2 Capital (B):</b>	<b>278.63</b>	<b>276.47</b>
<b>C.</b>	<b>Total Eligible Regulatory Capital (A+B):</b>	<b>1,573.00</b>	<b>1,540.75</b>

\*\*Written down value of Software which is treated as Intangible Assets

### 3. CAPITAL ADEQUACY

#### 3.1 Qualitative Disclosure

As per the Guidelines on Risk Based Capital Adequacy (RBCA) for Banks under Basel-III Accord each banks have to maintain Capital to Risk-weighted Asset Ratio (CRAR) on solo basis and consolidated basis as per instructions given by Bangladesh Bank from time to time. The minimum CRAR for the year ended December, 2015 was 10% of total Risk Weighted Assets.

Dhaka Bank Limited strictly follows the guidelines of Bangladesh Bank regarding capital adequacy and its policy is to maintain regulatory capital at a level higher than the minimum required capital.

#### 3.2 Quantitative Disclosure:

Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
<b>1.</b>	<b>Risk Weighted Assets:</b>		
	For Credit Risk:		

Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
	On-Balance Sheet	11,866.60	11,693.31
	Off-Balance Sheet	1,746.87	1,746.87
	For Market Risk	419.92	229.07
	For Operational Risk	1,099.34	1,065.07
	<b>Total:</b>	<b>15,132.73</b>	<b>14,734.32</b>
<b>2.</b>	<b>Minimum Capital Required:</b>		
	For Credit Risk	1,361.35	1,344.02
	For Market Risk	41.99	22.91
	For Operational Risk	109.93	106.51
	<b>Total:</b>	<b>1,513.27</b>	<b>1,473.44</b>
<b>3.</b>	<b>Total Eligible Regulatory Capital:</b>		
	Tier-1 Capital/Core Capital	1,294.37	1,264.28
	Total Tier-2 Capital/Supplementary Capital	278.63	276.47
		<b>1,573.00</b>	<b>1,540.75</b>
<b>4.</b>	<b>Capital Adequacy Ratio:</b>		
	Tier-1 Capital to RWA	8.55%	8.58%
	Tier-2 Capital to RWA	1.84%	1.88%
	<b>Total:</b>	<b>10.39%</b>	<b>10.46%</b>

#### 4. CREDIT RISK

##### 4.1 Qualitative Disclosure Exposure to Credit Risk

Credit risk is the risk of financial loss resulting from failure by a client or counterparty to meet its contractual obligations to the Bank. Bank is exposed to credit risk from its dealing with or lending to corporate, individuals, and other banks or financial institutions.

##### Past due Claims

**Special mention:** These assets have potential weaknesses thus deserve management's close attention. If left uncorrected, these weaknesses may result in a deterioration of the repayment prospects of the borrower.

**Sub-standard:** These are the loans where bank has reason to doubt about the repayment of the loan although recovery prospect is encouraging.



**Doubtful:** Full repayment of principal and interest is unlikely and the possibility of loss is extremely high.

**Bad /Loss:** These are the loans that have a bleak recovery possibility.

### **Capital Requirement for Credit Risk**

The capital requirement for credit risk is based on the risk assessment made by external credit assessment institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks are required to assign a risk weight to both on-balance sheet and off-balance sheet exposures based on external credit rating (solicited) which mapped with the BB rating grade or a fixed weight specified by BB.

Minimum regulatory capital for credit risk is calculated by multiplying the Risk Weighted Assets (RWA) for both on balance sheet and off-balance sheet exposure with a certain percentage (10% for 2015).

### **Credit Risk Management System**

Dhaka Bank is managing Credit Risk through a robust process that enables the bank to proactively manage loan portfolios in order to minimize losses and earn an acceptable level of return for shareholders.

Credit risk is controlled and monitored by establishing appropriate limits and operational controls to constrain credit exposure to individual counter parties and counterparty groups. There are specific policies and procedures applicable to different business segments.

### **Credit Risk Mitigation**

Banks use a number of techniques to reduce their credit risk to which they are exposed. Guidelines on Risk Based Capital Adequacy (RBCA) consider two aspects of credit risk mitigation:

#### **a) Collateral for Credit Risk Mitigation**

Taking collateral is the most common way to mitigate credit risk. The Bank generally takes collaterals in the form of pledges of sufficient eligible marketable securities or cash, mortgages over the property etc. All of the collaterals taken do not necessarily qualify for availing capital relief under the Basel-II Accord on capital adequacy.

Where a transaction is secured by eligible financial collateral and meets the eligibility criteria and minimum requirements, banks are allowed to reduce their credit exposure or potential credit exposure by taking into account the risk mitigating effect of the collateral for the calculation of capital charge.

To ensure with a high degree of certainty that the collateral value will cover the exposure, discounts ("haircuts") are generally applied to the current market value. These reflect the quality, liquidity, volatility and, in some cases, the complexity of the individual instruments. Exposures and collateral values are continuously monitored, and margin calls or close-out procedures are enforced, when the market value of collateral falls below a predefined trigger level. Concentrations within individual collateral portfolios and across clients are also monitored where relevant and may affect the discount applied to a specific collateral pool.

Dhaka Bank has developed stringent process on collateral management. The collaterals considered by Dhaka Bank for credit risk mitigation (for capital calculation under standardized approach) comprise of financial collaterals (Bank deposits, Gold, Debt securities, equities, units of mutual funds etc). A detail process of calculation of correct valuation and application of haircut has been put in place with the help of core banking software Flex-cube (State of the art banking software of Dhaka Bank).

Majority of financial collaterals held by Dhaka Bank are in the form of own deposits and thus are not exposed to any uncertainty in realization in case of default by counterparty. As such, there is no risk concentration on account of nature of collaterals.

#### b) Guarantee for Credit Risk Mitigation

To reduce credit risk transaction may be secured by guarantees. Where guarantees are direct, explicit, irrevocable and unconditional banks may consider such credit protections in calculating capital requirements through a substitution approach. Only guarantees issued by entities with a lower risk weight than the counterparty will lead to reduced capital charge, whereas the uncovered portion retains the risk weight of the underlying counterparty.

In Dhaka Bank only those guarantees that are direct, explicit, irrevocable and unconditional, are taken into consideration for calculating capital requirement. Use of such guarantees for capital calculation purpose is strictly as per Bangladesh Bank Guidelines on Risk Based Capital Adequacy.

## 4.2 Quantitative Disclosure:

### 4.2.1 Total gross credit risk exposures broken down by major types of credit exposure

Particulars	(Amount in Crore BDT)	
	Consolidated	Solo
Cash and Cash equivalents	154.37	154.36
Claims on Bangladesh Government and Bangladesh Bank	2,693.94	2,693.94
Claims on Banks & NBFI:	1,259.00	1,275.33
Claims on Corporate	6,061.86	6,027.43
Credit Risk Mitigation	2,650.93	2,650.93
Claims included in retail portfolio & Small Enterprise	1,071.09	1,071.09
Claims on Consumer Loan	51.08	51.08
Claims fully secured by residential property	68.39	68.39
Claims fully secured by commercial real estate	593.27	593.27
Past due claims	358.77	358.77
Capital market exposure	303.62	205.91
Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	227.15	227.15
Investments in premises, plant and equipment and all other fixed assets	410.99	410.00
All other assets		
I) Claims on GOB & BB	104.48	104.48
ii) Staff Loan / Investment	85.40	85.40



Particulars	Consolidated	Solo
iii) Other Assets	577.07	566.68
<b>Total:</b>	<b>16,671.41</b>	<b>16,544.21</b>

(Amount in Crore BDT)

Types of Loan	2015	2014
Secured Overdraft/Quard	3,015.17	2,589.50
Cash Credit/Murabaha	847.19	817.65
House Building Loan	83.51	108.06
Transport Loan	88.49	91.54
Term Loan	3,675.04	3,324.41
Loan Against Trust Receipt	785.97	688.17
Payment Against Documents	10.27	12.15
Loan Against Imported Merchandize	6.36	29.29
Loan Against Accepted Bills	113.37	75.16
Packing Credit	29.00	12.24
Lease Finance / Izara	193.83	174.99
Credit Card	26.87	23.54
Retail Loan	62.23	159.59
Bills Purchased and discounted	239.46	222.78
Other Loans (Including Bai-Muajjal)	2,607.25	1,984.09
<b>Grand Total</b>	<b>11,784.02</b>	<b>10,313.15</b>

**4.2.2 Geographical Distribution of Exposure (Region Based):**

(Amount in Crore BDT)

	2015	2014
<b>Urban</b>		
Dhaka Region	7,522.00	6,404.62
Chittagong Region	2,455.38	2,195.52
South Region	227.39	205.22
North Region	251.72	218.28
Sylhet Region	68.78	61.26
Other	461.81	431.24



Majority of financial collaterals held by Dhaka Bank are in the form of own deposits and thus are not exposed to any uncertainty in realization in case of default by counterparty. As such, there is no risk concentration on account of nature of collaterals.

#### b) Guarantee for Credit Risk Mitigation

To reduce credit risk transaction may be secured by guarantees. Where guarantees are direct, explicit, irrevocable and unconditional banks may consider such credit protections in calculating capital requirements through a substitution approach. Only guarantees issued by entities with a lower risk weight than the counterparty will lead to reduced capital charge, whereas the uncovered portion retains the risk weight of the underlying counterparty.

In Dhaka Bank only those guarantees that are direct, explicit, irrevocable and unconditional, are taken into consideration for calculating capital requirement. Use of such guarantees for capital calculation purpose is strictly as per Bangladesh Bank Guidelines on Risk Based Capital Adequacy.

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	Consolidated	Solo
Cash and Cash equivalents	154.37	154.36
Claims on Bangladesh Government and Bangladesh Bank	2,693.94	2,693.94
Claims on Banks & NBFIs:	1,259.00	1,275.33
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Claims fully secured by residential property	68.39	68.39
Claims fully secured by commercial real estate	593.27	593.27
Past due claims	358.77	358.77
Capital market exposure	303.62	205.91
Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	227.15	227.15
Investments in premises, plant and equipment and all other fixed assets	410.99	410.00
All other assets		
I) Claims on GOB & BB	104.48	104.48
ii) Staff Loan / Investment	85.40	85.40

**4.2.4 Residual contractual maturity of credit exposure:**

(Amount in Crore BDT)

Particulars	2015	2014
On demand	3,351.99	2,438.63
Up to one month	1,819.62	1,605.20
Not more than three months	1,101.21	905.97
More than three months but not more than six months	1,133.99	1,183.94
More than six months but not more than one year	1,754.45	1,674.53
More than one year but not more than five years	2,398.91	2,215.90
More than five years	223.85	288.99
<b>Total</b>	<b>11,784.02</b>	<b>10,313.15</b>

**4.2.5 Major Industry type amount of impaired loans:**

(Amount in Crore BDT)

Industry Name	SS	DF	BL	Total
Agriculture	0.18	-	-	0.18
RMG	3.97	-	14.73	18.70
Textile	27.17	-	22.59	49.76
Ship Building	-	-	-	-
Ship Breaking	63.59	-	35.94	99.52
Other Manufacturing	-	-	32.27	32.27
SME Loans	5.31	11.82	129.17	146.29
Construction	3.98	-	11.80	15.78
Power, Gas	-	-	-	-
Transport, Storage & Communication	2.61	-	5.86	8.47
Trade Service	9.84	14.12	94.67	118.62
Commercial Real Estate Finance	-	-	5.91	5.91
Residential Real Estate Financing	0.06	0.07	0.86	0.99
Consumer Credit	1.24	0.53	39.71	41.48
Capital Market	-	-	-	-
Others	5.66	-	5.43	11.09
Non-Bank Financial Institutions	-	-	-	-
<b>GRAND TOTAL</b>	<b>123.60</b>	<b>26.54</b>	<b>398.93</b>	<b>549.06</b>

**4.2.6 Gross Non Performing Assets (NPAs)**

(Amount in Crore BDT)

	2015	2014
Gross Non Performing Assets (NPAs)	549.06	565.73
Non Performing Assets (NPAs) to Outstanding Loans & Advances	4.66%	5.49%
<b>Movement of Non Performing Assets (NPAs):</b>		
Opening Balance	565.73	413.67
Additions	750.66	813.31
Reductions	767.32	661.26
Closing Balance	<b>549.06</b>	<b>565.73</b>

	2015	2014
<b>Movement of specific provisions for NPAs:</b>		
Opening	212.03	218.57
Specific provision for the year	68.05	24.39
Fully provided debt written off	(47.79)	(12.96)
Provision no longer required due to recoveries	(42.02)	(17.97)
<b>Closing Balance</b>	<b>190.27</b>	<b>212.03</b>

## 5 Equities: Disclosures for Banking Book Positions

### 5.1 Qualitative Disclosures

Dhaka Bank has considerable investment in equity shares of various companies and mutual funds and has active participation in the secondary market. The bank also participates in the primary market by the purchase of shares and securities from private placement for institutional investors. There is an investment committee for the management of investment portfolio and associated risk to which bank may be exposed. In the investment process Dhaka Bank strictly follow the internal policies and procedures put into place in this respect.

#### Valuation of Equity Securities

Shares and securities are valued as per the prescribed guideline of Bangladesh Bank and adequate provision is maintained accordingly for unrealized losses (if any).

#### Capital Charge for Equity Position Risk

Capital charge for equities are calculated on the basis of their current market value in the bank's trading book. This capital charge is calculated taking into account both the specific risk and the general market risk factor by applying the same rate of minimum capital adequacy ratio (10% for 2014).

### 5.2 Quantitative Disclosure

#### 5.2.1 Equity Position

Sl. No.	Particulars	Amount (in Crore BDT)	
		Consolidated	Solo
1.	Investment in Equity Securities:		
	Cost price	153.16	23.97
	Market Price	96.94	23.48
	<b>Difference</b>	<b>(56.22)</b>	<b>(0.49)</b>
2.	The cumulative realized gains (losses) arising from sales and liquidation	19.38	1.90



Sl. No.	Particulars	Amount (in Crore BDT)	
		Consolidated	Solo
3.	Total unrealized gains (losses)	(56.22)	(0.49)
4.	Total latest revaluation gains (losses)	-	-
5.	Any amount of the above included in Tier 2 capital	-	-
6.	Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements (10% on market value).		
	☑ Specific Market Risk	9.63	0.09
	☑ General Market Risk	9.63	0.09

## 6. Interest Rate Risk in the Banking Book (IRRBB)

### 6.1 Qualitative Disclosures

Interest rate risk is the risk where changes in the market interest rates might adversely affect a bank's financial condition. The immediate impact of changes in interest rates is on the Net Interest Income (NII). A long term impact of changing interest rates is on the bank's net worth since the economic value of banks' assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates.

In Dhaka Bank the responsibility of interest rate risk management rests with the bank's Assets Liability Management Committee (ALCO). The bank periodically computes the interest rate risks in the banking book that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities. For the purpose of monitoring such interest rate risk, the bank has in place a system that tracks the re-pricing mismatches in interest bearing assets and liabilities. For the computation of the interest rate mismatch the guidelines of the Bangladesh Bank are followed.

### 6.2 Quantitative Disclosures (for 1% change in interest rate for both asset and liability portfolio of the bank)

The Increase (decline) in earning or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB broken down by currency (as relevant):

Particulars	Up to 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Rate Sensitive Assets	3,741.58	2,920.84	3,581.28	3,239.76	1,400.00
Rate Sensitive Liabilities	1,920.87	2,487.24	7,574.08	1,884.56	1,103.61
GAP	1,820.71	433.60	(3,992.80)	1,355.20	296.39
Cumulative GAP	1,820.71	2,254.31	(1,738.49)	(383.29)	(86.90)

Particulars	Up to 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Adjusted Interest Rate Changes	1%	1%	1%	1%	1%
Quarterly Earnings Impact	4.55	1.08	(9.98)	3.39	0.74
Accumulated Earnings Impact	4.55	5.64	(4.35)	(0.96)	(0.22)
Earning Impact/ Avg. Quarterly Net Profit	12.66%	3.02%	(27.77%)	9.43%	2.06%

## 7. Market Risk

### 7.1 Qualitative Disclosure

#### Views of Board of Directors (BODs) on trading/investment activities:

Market risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in different market variables, namely:

- Interest Rate Risk
- Equity Position Risk
- Foreign Exchange Risk
- Commodity Risk

All these risks are monitored by the Treasury. The foreign exchange risk is managed by setting limits on open foreign exchange position.

#### Methods Used to Measure Market Risk

To measure of market risk the Bank uses Value-at-Risk (VaR).

#### Market Risk & Liquidity Risk Management Policies and System

The objective of investment policy covering various facets of Market Risk is to assess and minimize risks associated with treasury operations by extensive use of risk management tools. Broadly it encompasses policy prescriptions for managing systematic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risks arising out of various products in trading book of the Bank and its business activities, the bank sets regulatory internal and ensure adherence thereto. Limits for exposure to counter-parties, industries and countries are monitored and the risks are controlled through Stop Loss limits, Overnight limit, Daylight limit, Aggregate Gap limit, Value at Risk (VAR) limit for forum, inter-bank dealing and investment limit etc.

For the Market Risk Management of the bank, it has a mid-office with separate Desks for Treasury & Asset Liability Management (ALM). Asset Liability Management Committee (ALCO) is primarily responsible for establishing the market risk management, asset liability management of the bank, procedures thereof, implementing core risk management framework issued by regulator, best risk management practices followed globally and ensuring that internal parameters, procedures, practices/policies and risk management prudential limits are adhered to.





Liquidity risk of the bank is assessed through Gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limit fixed thereon. Further bank is also monitoring the liquidity position through various stock ratios. The bank is proactively using duration gap and interest rate forecasting to minimize the impact of interest rate changes.

### Interest Rate Risk in the Trading Book

Dhaka Bank uses maturity method in measuring interest rate risk in respect of securities in the trading book. However, the capital charge for entire market risk exposure is calculated under the standardized approach using the maturity method and guideline of Bangladesh Bank in this respect.

Dhaka Bank's investment in interest rate sensitive instruments (such as Government Treasury Bill & Bond, sub-ordinate bond, commercial paper etc.) stood at BDT 1,423.26 crore as on 31 December 2015.

Investment was mostly in long term Government Securities. The Government Treasury Bonds were purchased at higher rate of interest to cover the increased SLR arising from the growth of deposit liabilities.

### 7.2 Quantitative Disclosure: Capital Requirement for Market Risk

Particulars	Amount (in Crore BDT)	
	Consolidated	Solo
<b>The capital requirements for:</b>		
Interest Rate Risk	15.49	15.49
Equity position risk	19.26	0.18
Foreign exchange risk	7.24	7.24
Commodity risk	-	-
<b>Total</b>	<b>41.99</b>	<b>22.91</b>

## 8. OPERATIONAL RISK

### 8.1 Qualitative Disclosure

#### Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems (for example failed IT systems, or fraud perpetrated by a DBL employee), or from external causes, whether deliberate, accidental or natural. It is inherent in all of the Bank's activities.

#### Views of Board of Directors (BODs) to Operational Risk

Dhaka Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management. Operational risks are monitored and, to the extent possible, controlled and mitigated.

All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas. The Bank has therefore established a cross-functional body to actively manage operational risk as part of its governance structure.



The foundation of the operational risk framework is that all functions have adequately defined their roles and responsibilities. The functions can then collectively ensure that there is adequate segregation of duties, complete coverage of risks and clear accountability. All the functions use their controls to monitor compliance and assess their operating effectiveness in several ways, including self-certification by staff, tracking of a wide range of metrics (for example, the number and characteristics of client complaints, deal cancellations and corrections, un-reconciled items on cash and customer accounts, and systems failures), and the analysis of internal and external audit findings.

#### Performance Gap of Executives and Staffs

Dhaka Bank always tries to be the best pay master in the sector and ensure best workplace safety for its employees to avoid inconsistent employment practices and unsound workplace safety caused by way of discrimination regarding employee's compensation, health and safety.

#### Potential External Events

Dhaka Bank has invested heavily in IT infrastructure for better automation and online transaction environment. The bank also has huge investment on alternative power supply (both UPS & generators) and network links to avoid business description and system failure. Its IT system does not allow any kind of external access to avoid external fraud by way of theft/ hacking of information assets, forgery etc. Dhaka Bank has also invests considerable on security from terrorism and vandalism to avoid damage to physical assets.

#### Approach for Calculating Capital Charges for Operational Risk

For calculating eligible regulatory capital under Basel-II Capital Accord, Dhaka Bank follows the Basic Indicator Approach.

### 8.2 Quantitative Disclosure

Capital requirement for Operational Risk exposure of Dhaka Bank is as below:

Particulars	Amount (in Crore BDT)	
	Consolidated	Solo
The capital requirements for Operational Risk	109.93	106.51

## 9. LIQUIDITY RATIO

### 9.1 Qualitative Disclosure

Qualitative Disclosures	(a)	<b>Views of Board of Directors on system to reduce liquidity Risk:</b> The Board reviews and approves the Assets Liability Management Policies and ensures that senior management manages liquidity risk effectively in the context of the Bank's business plan, long term funding plan and economic and financial position. DBL uses liquidity ratios and stressed liquidity gaps as key metrics to establish its liquidity risk tolerance levels. These metrics measures the Bank's ability to fulfill all its payment obligations stemming from ongoing business operations under various stress scenarios. The tolerance levels are defined either in the form of limits or management action triggers (MAT) and are part of the Bank's overall liquidity management framework which is approved and reviewed by the Board on an annual basis.
		<b>Methods used to measure Liquidity risk:</b>

	<p>There are different tools prescribed by Bangladesh Bank to measure and monitor liquidity risks. Following ratios are used by DBL as indicators for liquidity risks:</p> <ol style="list-style-type: none"> <li>i. Statutory Liquidity Requirement (SLR);</li> <li>ii. Cash Reserve Ratio (CRR);</li> <li>iii. Asset to Deposit Ratio (ADR);</li> <li>iv. Structural Liquidity Profile (SLP);</li> <li>v. Maximum Cumulative Outflow (MCO);</li> <li>vi. Medium Term Funding Ratio (MTF);</li> <li>vii. Liquidity Coverage Ratio (LCR);</li> <li>viii. Net Stable Funding Ratio (NSFR);</li> <li>ix. Volatile Liability Dependency Ratio;</li> <li>x. Liquid Asset to Total Deposit Ratio;</li> <li>xi. Liquid Asset to Short Term Liabilities;</li> </ol> <p>In addition to the above, DBL uses Stress Testing report and Liquidity mismatch profile as the methods to measure Liquidity risk.</p>
	<p><b>Liquidity risk management system:</b>          Asset Liability Management Committee (ALCO) of DBL sets the direction for the Bank's liquidity management. ALCO meets at least once in every month and more as and when required. ALM desk of the Treasury Division closely monitors and controls liquidity requirements on regular basis by proper coordination of funding activities. It also monitors market developments, understanding their implications for the Bank's liquidity risk exposure and recommends appropriate risk management measures to ALCO. Another strategy of liquidity risk management is to develop a diversified funding base. It aims to align sources of funding with their use.</p>
	<p><b>Policies and processes for mitigating liquidity risk:</b>          Dhaka Bank Ltd. has Contingency Funding Plan and Treasury Policy as a policy support to mitigate liquidity risk. The Board and the management of DBL put into operation the following check points and mechanisms for superior liquidity risk management:</p> <ul style="list-style-type: none"> <li>• <b>Liquidity risk tolerance:</b> Bank set liquidity risk tolerance like Maximum Cumulative Outflow at 20%;</li> <li>• Maintaining adequate levels of liquidity considering the average daily withdrawal by the customers;</li> <li>• Identification and measurement of contingent liquidity risks arising from unseen scenarios.</li> <li>• <b>Contingency funding plan:</b> Contingency funding plans incorporate events that could rapidly affect the bank's liquidity arising from sudden inability to call back long-term loans and advances, or the loss of a large depositor or counterparties.</li> <li>• Public disclosure in promoting market discipline under Pillar 3 of Basel III.</li> <li>• Maturity ladder of cash inflows and outflows are effective tool to determine banks cash position; that estimates cash inflows and outflows with net deficit or surplus (GAP) both on a day to day basis and over a series of specified time periods.</li> <li>• A bucket wise (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years) maturity profile of the assets and liabilities is prepared to understand mismatch in every bucket.</li> </ul>



**9.2 Quantitative Disclosure:**

Particulars	Amount (in Crore BDT)
Liquidity Coverage Ratio	102.78%
Net Stable Funding Ratio (NSFR)	109.90%
Stock of High quality liquid assets	3,447.05
Total net cash outflows over the next 30 calendar days	2,245.29
Available amount of stable funding	14,409.99
Required amount of stable funding	13,112.34

**10. LEVERAGE RATIO**
**10.1 Qualitative Disclosure**

Qualitative Disclosures	<p>(a) <b>Views of Board of Directors on system to reduce liquidity Risk:</b></p> <p>An underlying cause of the global financial crisis was the build-up of excessive on- and off-balance sheet leverage in the banking system. At the height of the crisis, financial markets forced the banking sector to reduce its leverage in a manner that amplified downward pressures on asset prices. This deleveraging process exacerbated the feedback loop between losses, falling bank capital and shrinking credit availability. To defuse the crisis, the Basel III framework introduced a non-risk-based capital measure, the leverage ratio, as an additional prudential tool to complement minimum capital adequacy requirements. Leverage ratio is the relative amount of Tier 1 capital to total exposure of the Bank (not risk-weighted) which has been set at minimum 3%. Under Basel III, a simple, transparent, non-risk based regulatory leverage ratio has been introduced to achieve the following objectives:</p> <ul style="list-style-type: none"> <li>➤ Restrict the leverage in the banking sector, thus helping to mitigate the risk of the destabilizing deleveraging processes which can damage the financial system and the economy</li> <li>➤ Reinforce the risk-based requirements with a simple, transparent, independent measure of risk</li> </ul> <p>The Board Risk Management Committee regularly reviews the leverage ratios and advice the management to strictly monitor the ratio in addition to the Pillar 1 Minimum Capital Requirement.</p>
	<p><b>Policies and processes for managing excessive on and off-balance sheet leverage:</b></p> <p>The bank reviews its leverage position as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III). In addition, the bank has Risk Appetite as per Credit Risk Management Policy. Bank also employs Annual Budget Plan and Capital Growth Plan for managing excessive on and off-balance sheet leverage.</p>
	<p><b>Approach for calculating exposure:</b></p> <p>The bank calculates the exposure under standardized approach as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III).</p>



**10.2 Quantitative Disclosure:**

Particulars	(in Crore BDT)	
	Amount (Consolidated)	Amount (Solo)
Leverage Ratio	6.45%	6.33%
On balance sheet exposure	17,531.23	17,445.98
Off balance sheet exposure	2,533.57	2,533.57
Total exposure	20,061.20	19,976.13

\*Leverage ratio come into effect from March 31, 2015 as per RBCA Guidelines.

**11. REMUNERATION**
**11.1 Qualitative Disclosure**

Qualitative Disclosures	<p>(a) The remuneration committee provides assistance to the Board in relation to the remuneration arrangements of the Bank. The Board makes all final decisions in relation to those arrangements. The current members of the Committee are as follows:</p> <ol style="list-style-type: none"> <li>1. Syed Mahbubur Rahman, Managing Director &amp; CEO</li> <li>2. Darashiko Khasru, EVP &amp; CFO</li> <li>3. Md. Katebur Rahman, FVP</li> </ol> <p>The committee is responsible to give input into the total risk framework in relation to remuneration risk, in particular, recommending to the Board the remuneration arrangements.</p> <p>The Committee's remuneration responsibilities include conducting reviews of, and making recommendations to the Board on, the remuneration policy taking into account the Bank's strategy, objectives, risk profile, shareholder interests, regulatory requirements, corporate governance practices and employee interests.</p> <p>The Committee may consult a professional adviser or expert, at the cost of the Bank, if the committee considers it necessary to carry out its duties and responsibilities. No remuneration recommendations were obtained from external consultants during the reporting period.</p> <p>The Board has approved a remuneration policy which applies to the Bank. The policy does not apply to service contracts with third parties. The policy deals with base remuneration and performance based remuneration including the deferral of short-term incentive payments. As on 31 December 2015, we have 87 branches, 3 SME service centers, 1 Kiosk and 1 Offshore Banking Unit in different areas of Bangladesh. The Bank has no foreign subsidiaries and branches.</p> <p>For the purposes of the accompanying remuneration disclosures, the "senior managers" of the bank comprise of Managing Director, the heads of appropriate big branches, the heads of operation, corporate, and credit risk functions and the company secretary.</p> <p>There were 39 senior managers as at the end of the reporting period.</p>
	<p>(b) The policy establishes a remuneration framework designed to attract, retain, and motivate employees to achieve the objectives of the bank. The framework is structured to provide the desired flexibility and reward arrangements to support the Bank's strategy.</p>

	<p>The main features of the remuneration framework are: simplicity, fairness, alignment with values, appropriate risk behavior and transparency. Salary &amp; benefits structure implemented with effect from 1 July 2012. The major objectives of the remuneration policy includes:</p> <ol style="list-style-type: none"> <li>1. To ensure market driven pay and benefits,</li> <li>2. To retain bright professionals of the bank;</li> <li>3. To take the advantage over other banks in terms of attracting prospective employees due to less advantageous pay and benefits compared to the competitors.</li> </ol> <p>No review of remuneration happened during last year excluding regular annual increment. Accordingly, no changes were made.</p> <p>Technical allowance has given to IT employee for highly technical professional. Managers to manage the branch and employees to handle the cash are remunerated by charge allowance and risk allowance respectively. Risk and control personnel are still eligible to receive an annual bonus payment under the performance bonus plan.</p> <p>(c) The remuneration framework includes the following arrangements and processes designed to ensure that remuneration outcomes appropriately take into account the impact of business risk. The Board has discretion, having regard to the recommendation of the Committee, to provide variable remuneration to reflect the following:</p> <ol style="list-style-type: none"> <li>i. The outcomes of business activities;</li> <li>ii. The risk related to the business activities taking into account, where relevant.</li> <li>iii. Unexpected or unintended consequences that are not foreseen by the Board.</li> </ol> <p>On recommendation of the Management, the Board at its discretion may approve the performance/incentive bonus for the employees of the bank as a financial measure to minimize the risk.</p> <p>Risk and Compliance requirements represent a gateway to whether a bonus payment is made and the size of the payment. Notwithstanding financial performance and an individual's contribution and performance, if the individual does not meet, or only partially meets, risk and compliance requirements, no award or a reduced award may be made.</p> <p>There were no changes to the nature and type of measures used during the reporting period.</p>
	<p>(d) The remuneration framework includes the following arrangements designed to ensure that remuneration outcomes are linked to performance:</p> <p><b>Fixed base:</b> There is an annual review for all eligible employees. Performance ratings for the performance period are taking into consideration as well as individual circumstances for annual increment.</p> <p><b>Performance base:</b> Performance bonus or incentive bonus are given to all eligible employees as per performance ratings for a performance period.</p>





		<p>Amounts of individual remuneration are linked to individual performance as per their performance ratings for the performance period. In addition, amounts of individual remuneration also linked to bank's growth.</p> <p>In determining the payment of a bonus to individuals, the factors taken into account include:</p> <ol style="list-style-type: none"> <li>1. Team financial and strategic performance;</li> <li>2. Individual contribution to team performance;</li> <li>3. Individual performance including alignment with corporate values and meeting performance objectives.</li> </ol> <p>Long term incentives are designed to link a component of remuneration with key performance measures that underpin sustainable longer term growth in shareholder value.</p>
	(e)	The remuneration framework describes short term and long term benefits. Short term benefits include salary, festival bonus, LFA, and performance bonus as variable payments. Long term benefits include Gratuity, Provident Fund, Superannuation Fund and Leave encashment.
	(f)	Dhaka Bank Limited has no variable remuneration like cash, shares and share-linked instruments and other forms.

**11.2 Quantitative Disclosure:**

Number of meeting held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	(g)	The Committee met twice during the financial year. No additional fees are paid for serving on board committees.
<p>Number of employees having received a variable remuneration award during the financial year.</p> <p>Number and total amount of guaranteed bonuses awards made during the financial year.</p> <p>Number and total amount of sign-on awards made during the financial year.</p> <p>Number and total amount of severance payments made during the financial year.</p>	(h)	<p>Performance bonuses/Incentives:1285 employees</p> <p>Number of total guaranteed bonus(festival bonus): 2</p> <p>Total amount of guaranteed bonus (festival bonus): BDT 9,50,731,89.00</p> <p>Number of severance payments:44 employees</p> <p>Total amount of severance payments: BDT. 7,43,91,863.00, which includes Provident Fund, Gratuity Fund, Superannuation Fund and Leave Encashment.</p>
Total amount of outstanding deferred remuneration, spilt into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year	(i)	Not applicable for Dhaka Bank Limited



<p>Breakdown of amount of remuneration awards for the financial year to show:</p> <ul style="list-style-type: none"> <li>- Fixed and variable.</li> <li>-Deferred and non-deferred.</li> <li>-Different forms used (cash, shares, and share linked instruments, other forms).</li> </ul>	(j)	<ul style="list-style-type: none"> <li>• Fixed: BDT. 1,54,32,27,776.00, Variable: BDT. 8,00,00,000.00</li> <li>• Deferred: BDT. 15,36,48,798.00</li> <li>• Non-deferred: Nil</li> <li>• Different forms used: Nil</li> </ul>
<p>Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of share or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration:</p> <p>Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post implicit adjustments.</p>	(k)	<p>Not applicable for Dhaka Bank Limited</p>

**Dhaka Bank Limited (Off-Shore Banking Unit)**
**Balance Sheet**

As at 31 December 2015

Notes	31.12.2015		31.12.2014	
	USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</b>				
<b>Cash</b>	-	-	-	-
Cash in Hand (including foreign currencies)	-	-	-	-
Balance with Bangladesh Bank & Sonali Bank (including foreign currencies)	-	-	-	-
<b>Balance with other banks and financial institutions</b>	6,614,541	522,548,757	372,695	29,182,037
In Bangladesh	-	-	-	-
Outside Bangladesh	6,614,541	522,548,757	372,695	29,182,037
<b>Money at call and on short notice</b>	-	-	-	-
<b>Investments</b>	-	-	-	-
Government	-	-	-	-
Others	-	-	-	-
<b>Loans, advances and lease/investments</b>	3 9,904,057	782,420,518	15,727,731	1,231,481,349
Loans, cash credits, overdrafts, etc./Investments	3.1 8,266,679	653,067,656	13,966,136	1,093,548,458
Bills purchased and discounted	3.2 1,637,378	129,352,862	1,761,595	137,932,892
<b>Fixed assets including premises, furniture and fixtures</b>	-	-	-	-
<b>Other assets</b>	4 22,140,247	1,749,079,535	35,590,451	2,786,732,296
<b>Non-banking assets</b>	-	-	-	-
<b>Total Assets</b>	<u>38,658,846</u>	<u>3,054,048,811</u>	<u>51,690,877</u>	<u>4,047,395,682</u>
<b>LIABILITIES AND CAPITAL</b>				
<b>Liabilities</b>				
Borrowings from other banks, financial institutions and agents	5 16,601,018	1,311,480,458	30,659,161	2,400,612,268
<b>Deposits and other accounts</b>	6 9,189,219	725,948,292	18,467,080	1,445,972,363
Current accounts & other accounts	8,539,936	674,654,973	17,406,122	1,362,899,320
Bills payable	-	-	-	-
Other deposits	649,283	51,293,319	1,060,958	83,073,043
<b>Other liabilities</b>	7 11,409,706	901,366,810	1,466,773	114,848,347
<b>Total Liabilities</b>	<u>37,199,944</u>	<u>2,938,795,559</u>	<u>50,593,014</u>	<u>3,961,432,978</u>
<b>Capital/Shareholders' Equity</b>				
Paid-up capital	-	-	-	-
Statutory reserve	-	-	-	-
Other reserve	-	-	-	-
Surplus in Profit and Loss Account	1,458,902	115,253,252	1,097,863	85,962,704
<b>Total Shareholders' Equity</b>	<u>1,458,902</u>	<u>115,253,252</u>	<u>1,097,863</u>	<u>85,962,704</u>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<u>38,658,846</u>	<u>3,054,048,811</u>	<u>51,690,877</u>	<u>4,047,395,682</u>

**Off-Balance Sheet Items****CONTINGENT LIABILITIES**

Acceptances and Endorsements

Letter of Credit

Letter of Guarantee

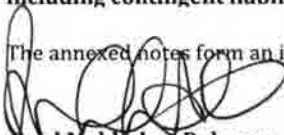
Bills for Collection

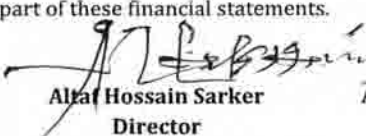
Other Contingent Liabilities

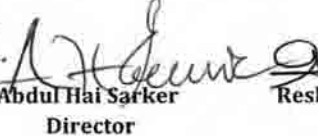
**Sub-total:**

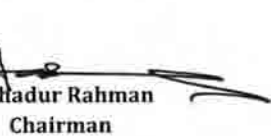
Notes	31.12.2015		31.12.2014	
	USD	Taka	USD	Taka
8				
	6,842,797	540,580,924	9,018,103	706,117,427
	4,029,956	318,366,485	3,739,842	292,829,661
	-	-	-	-
	6,795,507	536,845,029	4,678,497	366,326,318
	-	-	-	-
	<b>17,668,259</b>	<b>1,395,792,437</b>	<b>17,436,442</b>	<b>1,365,273,406</b>
<b>OTHER COMMITMENTS</b>				
Documentary credit and short term trade-related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
<b>Sub-total:</b>	-	-	-	-
<b>Total off-balance sheet items including contingent liabilities</b>	<b>17,668,259</b>	<b>1,395,792,437</b>	<b>17,436,442</b>	<b>1,365,273,406</b>

The annexed notes form an integral part of these financial statements.


  
 Syed Mahbubur Rahman  
 Managing Director & CEO

  
 Altaf Hossain Sarker  
 Director

  
 Abdul Hai Sarker  
 Director

  
 Reshadur Rahman  
 Chairman

This is the balance sheet referred to in our separate report of even date.

Dhaka,  
20 April 2016
  
 ACNABIN  
 Chartered Accountants





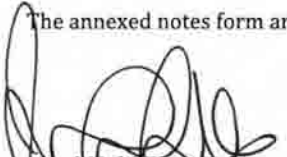
**Dhaka Bank Limited (Off-Shore Banking Unit)**

**Profit and Loss Account**

**For the year ended 31 December 2015**


Notes	2015		2014		
	USD	Taka	USD	Taka	
<b>Operating Income</b>					
Interest Income/Profit Received	9	2,116,875	167,233,155	1,760,959	137,883,092
Interest/Profit paid on Deposits & Borrowings	10	1,045,877	82,624,304	877,492	68,707,642
<b>Net Interest Income</b>		<b>1,070,998</b>	<b>84,608,851</b>	<b>883,467</b>	<b>69,175,450</b>
Income from Investment		-	-	-	-
Commission/Fees & Exchange Earnings	11	552,621	43,657,020	474,470	37,151,014
Other Operating Income	12	63,734	5,034,978	167,918	13,147,999
<b>Total Operating Income (A)</b>		<b>1,687,353</b>	<b>133,300,850</b>	<b>1,525,855</b>	<b>119,474,463</b>
<b>OPERATING EXPENSES</b>					
Salary and allowances		134,000	10,586,000	130,000	10,179,000
Rent, taxes, insurance, electricity, etc.		14,500	1,145,500	14,000	1,096,200
Legal expenses		6,000	474,000	6,000	469,800
Postage, stamps, telecommunication, etc.		10,500	829,500	10,000	783,000
Stationery, printing, advertisement, etc.		7,000	553,000	7,000	548,100
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repairs of Bank's assets		40,000	3,160,000	40,000	3,132,000
Other expenses	13	16,451	1,299,598	220,992	17,303,659
<b>Total operating expenses (b)</b>		<b>228,451</b>	<b>18,047,598</b>	<b>427,992</b>	<b>33,511,759</b>
<b>Profit / (Loss) Before Provision (C) = (A - B)</b>		<b>1,458,902</b>	<b>115,253,252</b>	<b>1,097,863</b>	<b>85,962,704</b>
Less: Provision for Loans (D)		99,041	7,824,205	79,218	6,202,744
<b>Total Profit/(Loss) before Tax (C-D)</b>		<b>1,359,861</b>	<b>107,429,046</b>	<b>1,018,646</b>	<b>79,759,960</b>
Less: Provision for Income Tax		-	-	-	-
<b>Net Profit / (Loss) after Tax :</b>		<b>1,359,861</b>	<b>107,429,046</b>	<b>1,018,646</b>	<b>79,759,960</b>

The annexed notes form an integral part of these financial statements.

  
Syed Mahubur Rahman  
Managing Director & CEO

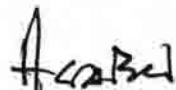
  
Altaf Hossain Sarker  
Director

  
Abdul Hal Sarker  
Director

  
Reshadur Rahman  
Chairman

This is the profit and loss account referred to in our separate report of even date.

Dhaka,  
20 April 2016

  
ACNABIN  
Chartered Accountants



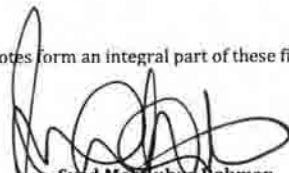
**Dhaka Bank Limited (Off-Shore Banking Unit)**

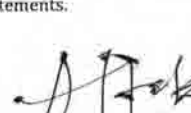
**Cash Flow Statement**  
**For the year ended 31 December 2015**


Notes	2015		2014	
	USD	Taka	USD	Taka
<b>Cash Flow from Operating Activities</b>				
Interest receipts	2,116,875	167,233,155	1,760,959	137,883,092
Interest payments	(1,045,877)	(82,624,304)	(877,492)	(68,707,642)
Receipts from other operating activities	616,354	48,691,999	642,388	50,299,013
Payments for other operating activities	(228,451)	(18,047,598)	(427,992)	(33,511,759)
<b>Operating profit before changes in current assets &amp;</b>	<b>1,458,902</b>	<b>115,253,252</b>	<b>1,097,863</b>	<b>85,962,704</b>
<b>Changes in operating assets and liabilities</b>				
Other banks	(6,245,148)	(493,366,720)	1,995,211	156,225,007
Loans and advances to customers	5,684,314	449,060,831	(7,921,768)	(620,274,431)
Other assets	13,134,845	1,037,652,761	(28,084,375)	(2,199,006,595)
Deposits from other banks	(13,786,479)	(1,089,131,810)	20,742,175	1,624,112,268
Deposits from customers	(9,114,229)	(720,024,071)	13,956,835	1,092,820,183
Other liabilities account of customers	-	-	-	-
Other liabilities	9,955,930	786,518,463	(987,019)	(77,283,594)
<b>Net cash flow from operating activities (A)</b>	<b>1,088,135</b>	<b>85,962,704</b>	<b>798,921</b>	<b>62,555,542</b>
<b>Cash Flow from Investing Activities</b>				
	-	-	-	-
<b>Cash Flow from Financing Activities</b>				
Profit remitted to Head Office	(1,088,135)	(85,962,704)	(798,921)	(62,555,542)
<b>Net cash in financing activities</b>	<b>(1,088,135)</b>	<b>(85,962,704)</b>	<b>(798,921)</b>	<b>(62,555,542)</b>
<b>Net increase / (Decrease) in cash (A+B+C)</b>	-	-	-	-
Opening cash & cash equivalent as at 1 January	-	-	-	-
Closing cash & cash equivalent as at 31 December	-	-	-	-
<b>Closing cash &amp; cash equivalents</b>				
Cash in Hand	-	-	-	-
Balance with Bangladesh Bank & Sonali Bank	-	-	-	-
Balance with other banks & Financial Institutions	-	-	-	-
Money at call & Short Notice	-	-	-	-
Prize Bond	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>


The annexed notes form an integral part of these financial statements.

Dhaka  
20 April 2016

  
Syed Manubur Rahman  
Managing Director & CEO

  
Altaf Hossain Sarker  
Director

  
Abdul Hai Sarker  
Director

  
Reshadur Rahman  
Chairman



**Dhaka Bank Limited (Off-shore Banking Unit)**  
Liquidity Statement  
(Asset and Liability Maturity Analysis)  
as at 31 December 2015

	Upto 01 month		1 - 3 months		3 - 12 months		1 - 5 years		More than 5 years		Total	
	USD	Taka	USD	Taka	USD	Taka	USD	Taka	USD	Taka	USD	Taka
<b>Assets:</b>												
Cash in hand	-	-	-	-	-	-	-	-	-	-	-	-
Balance with other banks and financial institutions	6,614,541.23	522,548,757	-	-	-	-	-	-	-	-	6,614,541.23	522,548,757
Money at call on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	8,244,867	651,344,485	612,941	48,422,362	-	-	1,046,249	82,653,671	-	-	9,904,057	782,420,518
Fixed assets including premises, furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	22,140,247	1,749,079,535	-	-	-	-	22,140,247	1,749,079,535
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>14,859,408</b>	<b>1,173,893,243</b>	<b>612,941</b>	<b>48,422,362</b>	<b>22,140,247</b>	<b>1,749,079,535</b>	<b>1,046,249</b>	<b>82,653,671</b>	<b>-</b>	<b>-</b>	<b>38,658,846</b>	<b>3,054,048,811</b>
<b>Liabilities:</b>												
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	-	-	(16,601,018)	(1,311,480,458)	-	-	-	-	(16,601,018)	(1,311,480,458)
Deposits & Other Accounts	(8,786,541)	(694,136,747)	-	-	-	-	-	-	-	-	(8,786,541)	(694,136,747)
Other liabilities	(661,781)	(52,280,709)	(10,222,169)	(807,551,358)	(525,756)	(41,534,743)	(1,458,902)	(115,253,252)	-	-	(11,409,706)	(901,366,810)
Capital & Reserve	-	-	-	-	-	-	-	-	-	-	(1,458,902)	(115,253,252)
<b>Total Liabilities</b>	<b>(9,448,322)</b>	<b>(746,417,456)</b>	<b>(10,222,169)</b>	<b>(807,551,358)</b>	<b>(17,126,775)</b>	<b>(1,353,015,201)</b>	<b>(1,458,902)</b>	<b>(115,253,252)</b>	<b>-</b>	<b>-</b>	<b>(38,256,168)</b>	<b>(3,022,237,266)</b>
<b>Net Liquidity Gap</b>	<b>5,411,086</b>	<b>427,475,786</b>	<b>(9,609,228)</b>	<b>(759,128,996)</b>	<b>5,013,473</b>	<b>396,064,335</b>	<b>(412,653)</b>	<b>(32,599,581)</b>	<b>-</b>	<b>-</b>	<b>402,678</b>	<b>31,811,545</b>
<b>Cumulative Liquidity Gap</b>	<b>5,411,086</b>	<b>427,475,786</b>	<b>(4,198,142)</b>	<b>(331,653,209)</b>	<b>815,331</b>	<b>64,411,125</b>	<b>-</b>	<b>31,811,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





**Dhaka Bank Limited ( Off-shore Banking Unit)**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2015**

**1 Nature of Business**

Off-Shore Banking Unit is a separate business unit of Dhaka Bank Limited, governed under the Rules & Guidelines of Bangladesh Bank. The Bank obtained the Offshore Banking Unit permission vide letter no. BRPD (P)744(92)/2005-2181 dated June 18, 2005. The Bank commenced the operation of its Offshore Banking Unit with effect from May 10, 2006.

**2 Significant Accounting Policy**

**2.1 Basis of accounting**

The accounting records of the unit are maintains in USD forms and the financial statements are made up to 31 December each year, and are prepared under the historical cost convention and in accordance with first schedule of Bank Companies Act (BCA) 1991 as amended by Bangladesh Bank (Central Bank) BRPD Circular No.14 dated 25 June 2003, other Bangladesh Bank circulars, International Financial Reporting Standards adopted as Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Listing Regulations of the Stock Exchanges, the Securities and Exchange Rule 1987 and other laws and rules applicable in Bangladesh on a going concern basis.

**2.2 Allocation of common expenses**

Establishment expenses in the nature of rent, rates, taxes, salaries, management expenses, printing & stationery, electricity & lighting, postage, stamps, telecommunication etc. have not been separately accounted for in the Financial Statements.

31.12.2015		31.12.2014	
USD	Taka	USD	Taka

**3 Loans and Advances**

**3.1 Loans, Cash Credits & Overdrafts etc:**

**In Bangladesh**

Overdraft	612,941	48,422,362	1,301,777	101,929,136
Term Loan	7,653,738	604,645,294	12,466,862	976,155,269
Loan against Accepted Bills	-	-	197,497	15,464,053
	<b>8,266,679</b>	<b>653,067,656</b>	<b>13,966,136</b>	<b>1,093,548,458</b>

**Outside Bangladesh**

	-	-	-	-
<b>Sub-total</b>	<b>8,266,679</b>	<b>653,067,656</b>	<b>13,966,136</b>	<b>1,093,548,458</b>

**3.2 Bills Purchased & Discounted**

**Payable in Bangladesh:**

Inland bills purchased	1,637,378	129,352,862	1,761,595	137,932,892
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**Payable outside Bangladesh:**

Foreign bills purchased & discounted	-	-	-	-
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<b>Sub-total</b>	<b>1,637,378</b>	<b>129,352,862</b>	<b>1,761,595</b>	<b>137,932,892</b>
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<b>Total</b>	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>
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**3.3 Residual maturity grouping of loans including bills purchased and discounted**

Repayable on Demand	8,244,867	651,344,485	12,855,695	1,006,600,935
Not more than 3 months	612,941	48,422,362	688,893	53,940,321
More than 3 months but not more than 1 year	-	-	612,884	47,988,815
More than 1 year but not more than 5 years	1,046,249	82,653,671	1,570,259	122,951,278
More than 5 years	-	-	-	-
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>

**3.4 Maturity grouping of bills purchased & discounted**

	2015		2014	
	USD	Taka	USD	Taka
Payable within 1 month	630,256	49,790,210	767,667	60,108,347
Over 1 month but less than 3 months	904,705	71,471,705	974,603	76,311,416
Over 3 months but less than 6 months	102,417	8,090,948	19,325	1,513,128
6 months or more	-	-	-	-
	<b>1,637,378</b>	<b>129,352,862</b>	<b>1,761,595</b>	<b>137,932,892</b>

**3.5 Loans on the basis of significant concentration including bills purchased & discounted:**

- a. Advances to allied concerns of Directors  
b. Advances to Chief Executive  
c. Advances to Other Senior Executives  
d. Advances to Customer's Group:

	2015		2014	
	USD	Taka	USD	Taka
a. Advances to allied concerns of Directors	-	-	-	-
b. Advances to Chief Executive	-	-	-	-
c. Advances to Other Senior Executives	-	-	-	-
d. <u>Advances to Customer's Group:</u>				
Agriculture loan	-	-	-	-
Commercial lending	7,653,738	604,645,292	12,664,359	991,619,321
Export financing	1,637,378	129,352,864	1,761,595	137,932,892
Consumer credit scheme	-	-	-	-
Small and Medium Enterprise (SME)	-	-	-	-
Staff Loan	-	-	-	-
Others	612,941	48,422,362	1,301,777	101,929,137
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>

**3.6 Industry - wise loans including bills purchased & discounted**

	2015		2014	
	USD	Taka	USD	Taka
Agricultural	-	-	-	-
Pharmaceuticals	-	-	-	-
Textile & Garment	8,137,954	642,898,368	3,085,866	241,623,284
Chemical	719,854	56,868,479	809,361	63,372,951
Food & allied	-	-	-	-
Transport & Communication	1,046,249	82,653,671	1,570,259	122,951,277
Electronics & Automobile	-	-	-	-
Housing & Construction	-	-	-	-
Engineering & Metal Industries including Ship	-	-	7,536,738	590,126,558
Breaking	-	-	-	-
Energy & Power	-	-	-	-
Service	-	-	-	-
Others	-	-	2,725,508	213,407,280
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>

**3.7 Geographical Location - wise Loans and Advances**

	2015		2014	
	USD	Taka	USD	Taka
Dhaka Region	9,904,057	782,420,518	15,727,731	1,231,481,349
Chittagong Region	-	-	-	-
South Region	-	-	-	-
North Region	-	-	-	-
Sylhet Region	-	-	-	-
Other	-	-	-	-
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>

**3.8 Sector wise loans**

	2015		2014	
	USD	Taka	USD	Taka
In Bangladesh				
Government & Autonomous bodies	1,046,249	82,653,671	1,570,259	122,951,277
Financial Institutions (Public & Private)	-	-	-	-
Other Public Sector	-	-	-	-
Private Sector	8,857,808	699,766,847	14,157,472	1,108,530,072
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>
Outside Bangladesh	-	-	-	-
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>



**3.9 Classification of loans & advances**

Unclassified (including staff loan)  
Sub-Standard  
Doubtful  
Bad or loss

31.12.2015		31.12.2014	
USD	Taka	USD	Taka
9,904,057	782,420,518	15,727,731	1,231,481,349
-	-	-	-
-	-	-	-
-	-	-	-
<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>

**3.10 Provision required for loans and advances**

**Status**                      **Rate%**  
Unclassified                      0.25,1,2 & 5  
Special Mention Account      0.25,1,2 & 5

**Classified:**

Sub-Standard                      20  
Doubtful                              50  
Bad or loss                            100

Required provision for loans & advances  
Total provision maintained  
Excess / short provision as at 31 December

99,041	7,824,205	157,277	12,314,813
-	-	-	-
<b>99,041</b>	<b>7,824,205</b>	<b>157,277</b>	<b>12,314,813</b>
-	-	-	-
-	-	-	-
-	-	-	-
<b>99,041</b>	<b>7,824,205</b>	<b>157,277</b>	<b>12,314,813</b>
<b>99,041</b>	<b>7,824,205</b>	<b>157,277</b>	<b>12,314,813</b>
-	-	-	-

**3.11 Securities against loans including bills purchased & discounted**

a. Secured

Collateral of movable / immovable assets  
Local Banks & Financial Institutions guarantee  
Government Guarantee  
Foreign Banks Guarantee  
Export documents  
Fixed Deposits Receipts  
1 Own FDR  
2 FDR of Other Banks  
Government bonds  
Personal Guarantee  
Other Securities

8,266,679	653,067,654	13,966,136	1,093,548,457
1,637,378	129,352,864	1,761,595	137,932,893
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

b. Unsecured

-	-	-	-
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<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>
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**3.12 Particulars of Loans and Advances**

(i) Loans considered good in respect of which the bank company is fully secured;  
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;  
(iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;  
(iv) Loans adversely classified; provision not maintained there against;  
(v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;

5,770,718	455,886,692	8,744,663	684,707,120
-	-	-	-
4,133,340	326,533,828	6,983,068	546,774,228
-	-	-	-
-	-	-	-





	31.12.2015		31.12.2014	
	USD	Taka	USD	Taka
(vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-	-	-
(vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	-	-	-	-
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	-	-	-	-
(ix) Due from banking companies;	-	-	-	-
(x) Amount of classified loan on which interest has not been charged, should be mentioned as follows:	-	-	-	-
a) Decrease / increase in provision;	-	-	-	-
b) Amount realized against loan previously written off;	-	-	-	-
c) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet;	-	-	-	-
d) Interest creditable to the Interest Suspense	-	-	-	-
(xi) Cumulative amount of the written off loan;	3,028,550	239,255,443	3,055,625	239,255,443

#### 4 Other Assets

Accrued Interest	-	-	-	-
Advance Payment against Deferred LC	-	-	-	-
Prepaid Expenses	-	-	-	-
Finance to AD Branches for IBP (See Note-9.6.2.a)	15,250,517	1,204,790,808	9,159,038	717,152,708
Finance to AD Branches for Import Bill Discounting (See Note-9.6.2.b)	6,889,731	544,288,727	26,431,412	2,069,579,588
Branch Adjustment	-	-	-	-
	<b>22,140,247</b>	<b>1,749,079,535</b>	<b>35,590,451</b>	<b>2,786,732,296</b>

#### 5 Borrowing from Other Banks/Financial Institutions

	<b>16,601,018</b>	<b>1,311,480,458</b>	<b>30,659,161</b>	<b>2,400,612,268</b>
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##### 5.1 Maturity grouping of Borrowings

Repayable on demand	-	-	-	-
Repayable within 1 month	-	-	-	-
Over 1 month but within 6 months	-	-	-	-
Over 6 months but within 1 year	16,601,018	1,311,480,458	30,659,161	2,400,612,268
Over 1 year but within 5 years	-	-	-	-
	<b>16,601,018</b>	<b>1,311,480,458</b>	<b>30,659,161</b>	<b>2,400,612,268</b>

According to BCD Circular No.(P)744(27) dated 17 December 1985 of Bangladesh Bank, Dhaka Bank maintained foreign currency accounts with Off-shore Banking Units in the manner they maintain such accounts with their foreign correspondents.



**6 Deposits and Other Accounts**

**6.1 Current and Other Accounts**

Foreign Currency Deposits

31.12.2015		31.12.2014	
USD	Taka	USD	Taka

8,539,936	674,654,973	17,406,122	1,362,899,320
-	-	-	-

**6.2 Bills Payable**

**6.3 Other deposit**

Margin under L/C

Term Deposit

Deposits Awaiting Disposal

Sundry Deposit

115,828	9,150,387	136,486	10,686,889
402,678	31,811,545	808,939	63,339,914
130,777	10,331,388	96,376	7,546,240
-	-	19,157	1,500,000
<b>649,283</b>	<b>51,293,319</b>	<b>1,060,958</b>	<b>83,073,043</b>
<b>9,189,219</b>	<b>725,948,292</b>	<b>18,467,080</b>	<b>1,445,972,363</b>

**6.4 Maturity grouping of deposits and other accounts**

Repayable on demand

Repayable within 1 month

Over 1 month but within 6 months

Over 6 months but within 1 year

Over 1 year but within 5 years

Over 5 years but within 10 years

8,786,541	694,136,747	18,467,080	1,445,972,363
-	-	-	-
-	-	-	-
402,678	31,811,545	-	-
-	-	-	-
-	-	-	-
<b>9,189,219</b>	<b>725,948,292</b>	<b>18,467,080</b>	<b>1,445,972,363</b>

**7 Other Liabilities**

Accrued Interest

Finance from Bill Discounting

Refinance by SWAP Woori Bank

5 years BSP

Export proceeds suspense

Interest Suspense Account

Tax deducted at source & payable

Provision against Expenses

Branch Adjustment

-	-	140,617	11,010,295
525,756	41,534,743	766,905	60,048,663
-	-	-	-
-	-	184	14,370
661,781	52,280,709	103,296	8,088,061
-	-	-	-
-	-	25,020	1,959,032
-	-	12	974
10,222,169	807,551,358	430,740	33,726,952
<b>11,409,706</b>	<b>901,366,810</b>	<b>1,466,773</b>	<b>114,848,347</b>

**8 Contingent Liabilities**

Acceptance & Endorsement

Letters of Credit

Letters of Guarantee

Bills for Collection

Other Contingent Liabilities

6,842,797	540,580,924	9,018,103	706,117,427
4,029,956	318,366,485	3,739,842	292,829,661
-	-	-	-
6,795,507	536,845,029	4,678,497	366,326,318
-	-	-	-
<b>17,668,259</b>	<b>1,395,792,437</b>	<b>17,436,442</b>	<b>1,365,273,406</b>

**9 Interest Income**

Interest on Advances

Interest on Money at call and short Notice

Call Lending and Fund Placement with banks

Accounts with Foreign Banks

2015		2014	
USD	Taka	USD	Taka

2,116,875	167,233,155	1,760,959	137,883,092
-	-	-	-
-	-	-	-
-	-	-	-
<b>2,116,875</b>	<b>167,233,155</b>	<b>1,760,959</b>	<b>137,883,092</b>

**10 Interest / Profit Paid On Deposits & Borrowings**

Term Deposits

Fund Borrowings

Inter Branch Interest paid

5,831	460,642	10,660	834,670
1,007,851	79,620,227	841,622	65,898,995
32,195	2,543,435	25,210	1,973,977
<b>1,045,877</b>	<b>82,624,304</b>	<b>877,492</b>	<b>68,707,642</b>



**11 Commission / Fees and Exchange Earnings**

Commission/ Fees Income  
Exchange gain including gain form foreign currency dealings

2015		2014	
USD	Taka	USD	Taka
479,875	37,910,151	474,470	37,151,014
72,745	5,746,869	-	-
<b>552,621</b>	<b>43,657,020</b>	<b>474,470</b>	<b>37,151,014</b>

**12 Other Operating Income**

Postage Charge Recoveries  
Swift Charge Recoveries  
Other Fees

2015		2014	
USD	Taka	USD	Taka
18,832	1,487,764	16,040	1,255,942
44,901	3,547,214	34,155	2,674,329
-	-	117,723	9,217,728
<b>63,734</b>	<b>5,034,978</b>	<b>167,918</b>	<b>13,147,999</b>

**13 Other expenses**

Contractual service charge  
Petrol, oil and lubricants (vehicle & generator)  
Entertainment (canteen & other)  
Travelling  
Conveyance  
Training expenses  
Books and papers  
Staff uniform  
Potted plants  
Business development & promotion  
Revaluation loss

4,151	327,898	6,000	469,800
3,250	256,750	3,000	234,900
1,600	126,400	949	74,286
1,100	86,900	1,000	78,300
500	39,500	465	36,410
1,200	94,800	1,200	93,960
550	43,450	500	39,150
1,000	79,000	1,000	78,300
1,100	86,900	1,000	78,300
2,000	158,000	2,000	156,600
-	-	203,878	15,963,653
<b>16,451</b>	<b>1,299,598</b>	<b>220,992</b>	<b>17,303,659</b>

**14 Cash Received from Other Operating Activities**

Commission & Exchange  
Other Operating Income

552,621	43,657,020	474,470	37,151,014
63,734	5,034,978	167,918	13,147,999
<b>616,354</b>	<b>48,691,999</b>	<b>642,388</b>	<b>50,299,013</b>

**15 Cash Paid for Other Operating Activities**

Office Operating Expenses

<b>(228,451)</b>	<b>(18,047,598)</b>	<b>(427,992)</b>	<b>(33,511,759)</b>
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**16 General**

- 16.1 Fixed Assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & Loss Account of the main operation of the bank.
- 16.2 Assets and liabilities have been converted into Taka Currency @ US\$ 1 = Tk. 79.00, GBP=117.0157, Euro = 86.3558 (2014 : Us \$ 1 = Tk 78.30) which represents the year end mid rate of exchange as at 31 December 2015.
- 16.3 Previous year's figures have been rearranged, where considered necessary, to conform to current year's presentation.



**Dhaka Bank Securities Limited**
**Statement of Financial Position  
 As on 31 December 2015**

	Notes	31-12-2015 Taka	31-12-2014 Taka
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	4	9,826,164	13,807,745
Intangible assets	5	44,206	1,010,494
Investment in un-quoted shares	6	977,077,770	977,077,770
		<b>986,948,140</b>	<b>991,896,009</b>
<b>Current Assets</b>			
Investment in marketable securities	7	1,296,758,380	985,032,408
Cash and bank balances	8	238,118,358	204,929,805
Margin loan	9	2,403,412,251	2,350,692,682
Account receivables	10	17,398,175	26,497,456
Advance income tax	11	65,468,799	22,137,984
Advance, prepayment & other receivables	12	26,050,026	18,246,696
Deferred tax assets	13	1,756,323	621,203
<b>Total Assets</b>		<b>5,035,910,452</b>	<b>4,600,054,243</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	1,560,000,000	1,560,000,000
Investment fluctuation fund	15	20,200,000	11,500,000
Retained earnings	16	287,215,478	219,834,017
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Loan from bank	17	-	1,878,000,000
<b>Current Liabilities</b>			
Short-term loan from bank and NBF	18	2,259,097,699	150,000,000
Accounts payables	19	248,545,942	211,459,582
Provision for income tax	20	95,536,853	61,227,890
Provision for unrealized losses	21	452,516,721	359,184,705
Other liabilities	22	112,797,758	148,848,050
<b>Total Liabilities</b>		<b>3,168,494,974</b>	<b>2,808,720,226</b>
<b>Total Equity and Liabilities</b>		<b>5,035,910,452</b>	<b>4,600,054,243</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

**Dhaka Bank Securities Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2015**

	Notes	2015 Taka	2014 Taka
<b>Operating Income</b>			
Brokerage commission income	23	63,632,147	115,405,579
Direct expenses	24	(7,075,645)	(13,322,383)
<b>Net brokerage commission income (a)</b>		<b>56,556,502</b>	<b>102,083,196</b>
Interest income	25	227,229,789	262,415,606
Interest expense	26	(224,160,122)	(237,621,082)
<b>Net interest income (b)</b>		<b>3,069,667</b>	<b>24,794,524</b>
Net investment income (c)	27	210,747,275	259,899,462
Fees & other income (d)	28	2,489,124	1,529,615
<b>Total Operating Income (A=a+b+c+d)</b>		<b>272,862,567</b>	<b>388,306,797</b>
<b>Operating Expenses</b>			
Salaries & allowances	29	31,849,313	30,552,221
Rent, taxes, insurance, electricity, etc.	30	15,160,998	14,716,594
Legal expenses	31	275,375	372,348
Postage, stamp, telecommunication, etc.	32	640,965	574,865
Stationery, printing, advertisements, etc.	33	1,206,667	953,530
Directors' fee & meeting expenses	34	647,045	851,105
Audit fee	35	115,000	115,000
Repair & maintenance of assets	36	4,247,864	4,148,191
Other expenses	37	10,147,324	10,074,273
Depreciation and amortization	38	5,995,303	5,931,150
<b>Total Operating Expenses (B)</b>		<b>70,285,854</b>	<b>68,289,277</b>
<b>Profit before Provisions and Tax (A - B)</b>		<b>202,576,713</b>	<b>320,017,520</b>
<b>Less: Provisions for Unrealized Losses</b>		<b>93,321,410</b>	<b>196,678,590</b>
Provision for unrealized loss in portfolio		73,321,410	11,678,590
Provision for unrealized loss in margin loan accounts		20,000,000	185,000,000
<b>Profit before Provision for Income Tax</b>		<b>109,255,303</b>	<b>123,338,930</b>
<b>Less: Provision for income tax</b>		<b>33,173,843</b>	<b>49,911,803</b>
Current tax	39	34,308,963	50,880,298
Deferred tax income	40	(1,135,120)	(968,495)
<b>Net profit</b>		<b>76,081,460</b>	<b>73,427,127</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>76,081,460</b>	<b>73,427,127</b>
<b>Earnings Per Share (EPS)</b>	41	<b>0.49</b>	<b>0.47</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

**Dhaka Bank Securities Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2015**

Particulars	(Amount in Taka)			
	Share Capital	Investment Fluctuation Fund	Retained Earnings	Total Equity
Balance as on 01 January 2014	1,560,000,000	-	157,906,891	1,717,906,891
Net profit for the year	-	-	73,427,127	73,427,127
Transfer to Investment Fluctuation Fund	-	11,500,000	(11,500,000)	-
<b>Balance as on 31 December 2014</b>	<b>1,560,000,000</b>	<b>11,500,000</b>	<b>219,834,018</b>	<b>1,791,334,018</b>
Balance as on 01 January 2015	1,560,000,000	11,500,000	219,834,018	1,791,334,018
Net profit for the year	-	-	76,081,460	76,081,460
Transfer to Investment Fluctuation Fund	-	8,700,000	(8,700,000)	-
<b>Balance as on 31 December 2015</b>	<b>1,560,000,000</b>	<b>20,200,000</b>	<b>287,215,478</b>	<b>1,867,415,478</b>



**Dhaka Bank Securities Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2015**

	2015 Taka	2014 Taka
<b>A. Cash flows from operating activities</b>		
<b>Net Income</b>	76,081,460	73,427,126
Adjustment for:		
Depreciation and amortization expenses	5,995,303	5,931,150
<b>Cash generated from operating activities before changes in operating assets and liabilities:</b>	<b>82,076,763</b>	<b>79,358,276</b>
<b>Increase / (decrease) in operating liabilities:</b>		
Account payables	37,086,361	(17,487,296)
Accrued expenses & other liabilities	(36,050,291)	(76,191,003)
Provision for income tax	33,173,843	9,451,020
Provision against unrealized losses	93,332,016	195,423,800
<b>(Increase) / decrease in operating assets:</b>		
Account receivables	9,099,281	(13,812,637)
Advance income tax	(43,330,815)	(2,500,031)
Advance & prepaid	(7,803,330)	(287,939)
	<b>85,507,065</b>	<b>94,595,915</b>
<b>Net cash flow from operating activities</b>	<b>167,583,828</b>	<b>173,954,191</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(1,047,434)	(740,850)
Investment in shares/securities	(311,725,972)	(478,197,891)
(Increase)/decrease in margin loan	(52,719,568)	177,014,552
<b>Net cash used in investing activities</b>	<b>(365,492,974)</b>	<b>(301,924,189)</b>
<b>C. Cash flow from financing activities</b>		
Receipt of /(repayment for) loan from Dhaka Bank Limited	181,097,699	(46,000,000)
Receipt of loan from United Finance Limited	50,000,000	150,000,000
<b>Net cash flows from financing activities</b>	<b>231,097,699</b>	<b>104,000,000</b>
Net cash surplus/(deficit) for the year (A+B+C)	33,188,553	(23,969,998)
Cash and bank balances at the beginning of the year	204,929,805	228,899,803
<b>Cash &amp; bank balance at the end of the year</b>	<b>238,118,358</b>	<b>204,929,805</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>1.07</b>	<b>1.12</b>

**Dhaka Bank Securities Limited**  
**Notes to the Financial Statements**  
**For the year ended on 31 December 2015**

**1. Company and its Activities**

**1.1 Legal Status of the Company**

Dhaka Bank Securities Limited (the name of company has been changed from DBL Securities Limited to Dhaka Bank Securities Limited with effect from 27 April 2014) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-85857/10 dated 19 July 2010 as a Private Company limited by Shares having its registered office at Adamjee Court (1st Floor), 115-120, Motijheel C/A, Dhaka -1000. The company is the Trading Right Entitlement Certificate (TREC) holder of both of the stock exchanges of the country (TREC No. 193 in DSE and TREC No. 081 in CSE). The Company commenced its business operations from 13 February 2011 as a wholly owned subsidiary of Dhaka Bank Limited.

**1.2 Principal Activities of the Company**

The principal activities of the company are to act as a TREC Holder of Dhaka Stock Exchanges Limited and Chittagong Stock Exchange Limited to carry on the business of brokers in stocks, shares and securities, commercial papers, bonds, debentures, debentures stocks, foreign currencies, treasury bills and/or any financial instruments. The company has six branches in Bangladesh located at Adamjee Court-Motijheel, DSE Building-Motijheel, Dhanmondi, Uttara, Agrabad and Sylhet. Dhaka Bank Securities Limited possesses following licenses from regulatory authorities:

<b>Name of Authority</b>	<b>License/Registration No.</b>	<b>Purpose</b>
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-193/2011/453	Stock Broker Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-193/2011/454	Stock Dealer Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE-081/2011/260	Stock Broker Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE -081/2011/261	Stock Dealer Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	CDBL- DP 17	Depository Functions with Central Depository Bangladesh Limited (CDBL)
Dhaka Stock Exchange Limited (DSE)	TREC NO. 193	Trading with DSE
Chittagong Stock Exchange Limited (CSE)	TREC NO. 081	Trading with CSE

**2. Significant Accounting Policies**

**2.1 Basis of Presentation of Financial Statements**

These financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company.

**2.2 Basis of Measurement**

The financial statements have been prepared based on historical cost convention basis. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous years.

### 2.3 Presentation and Functional Currency and Level of Precision

The financial statements have been presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest integer.

### 2.4 Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the year end.

Provisions and accrued expenses are recognized in the financial statements in line with Bangladesh Accounting Standard (BAS) 37: "Provisions, Contingent Liabilities and Contingent Assets" when - the Company has a legal or constructive obligation as a result of past event; and

- i. It is probable that an outflow of economic benefit will be required to settle the obligation.
- ii. A reliable estimate can be made for the amount of the obligation.

### 2.5 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

### 2.6 Statement of cash flows

Statement of Cash Flows is prepared in accordance with Bangladesh Accounting Standard (BAS) 7: "Statement of Cash Flows" and the cash flows from operating activities are presented under the indirect method as prescribed by the Securities and Exchange Rules, 1987.

### 2.7 Property, Plant and Equipment

#### 2.7.1 Recognition and Measurement

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

#### 2.7.2 Depreciation and Amortization

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is charged using the straight-line method on the acquisition cost of PPE and such cost is written off over the estimated useful lives of assets, in accordance with BAS 16. Depreciation for full month is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. The rates of depreciation used to write off the amount of assets are as follows:

<u>Name of the Assets</u>	<u>Rate</u>
Furniture and fixtures	10% p.a
Office Appliance and Equipment	20% p.a
Computer Equipments	20% p.a
Software	20% p.a
Motor Vehicles	20% p.a



## 2.8 Intangible Assets and Amortization of Intangible assets

The main item included in intangible asset is computer software. Intangible assets are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with BAS 38: "Intangible Assets". Accordingly, these assets are stated in the Statement of Financial Position at cost less accumulated amortization. Intangible assets are amortized over a period of five (05) years.

## 2.9 Investment in Shares of Stock Exchanges

In accordance with section 8 of the Exchanges Demutualization Act 2013, both stock exchange membership has been converted into shares through the issuance of two completely de-linked assets to the former members in the Exchange, namely (a) fully paid-up shares and (b) trading right. Exchanges shall have the authority to issue Trading Right Entitlement Certificate (TREC), as per the Exchanges Demutualization, Act 2013 and as outlined in the scheme, to provide the right to trade any securities enlisted in CSE to eligible brokers and dealers. Such TRECs will be totally separate from the ownership of the Exchange as there is no obligation for TREC holders to be or remain shareholders of the exchange.

## 2.10 Investment in Shares

Investment in quoted shares (or shares held for sale) and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares.

## 2.11 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash at bank which are held and are available for use by the Company without any restriction. There is insignificant risk of change in the value of the above items.

## 2.12 Provision for Tax

### Current tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

### Deferred Tax

Deferred Tax is calculated as per Bangladesh Accounting Standard (BAS)-12 "Income Taxes". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences. Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

## 2.12 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the Bangladesh Accounting Standard (BAS)-18 "Revenue Recognition":

### i. Brokerage Commission

Brokerage commission is recognized as income when selling or buying order executed.

### ii. Interest Income from Margin Loan

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis and applied to the customers' account on quarterly basis.

### **iii. Dividend Income and Profit/ (Loss) on Sale of Marketable Securities**

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

### **2.13 Earnings Per Share**

The Company calculates earning per share in accordance with Bangladesh Accounting Standard (BAS)-33 "Earning Per Share" which has been shown in the face of the Statement of Profit or Loss and Other Comprehensive Income.

### **2.14 Provision against Unrealized Loss in Margin Loan**

As Per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/181 dated 08 December 2015, the company may keep 20% Provision against Unrealized Loss in the Portfolio accounts of Margin Loan Clients as on 31 December 2015.

### **2.15 Related Party Disclosure**

As per Bangladesh Accounting Standards (BAS)-24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

### **2.16 Branch Accounting**

The Company has 6 (six) Branch Offices (excluding Head Office), with no overseas branch as on 31 December 2015. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

### **2.17 Reporting Period**

The company's reporting period is January to December.

### **3. General**

Figures have been rounded off to the nearest integer.

	31.12.2015 Taka	31.12.2014 Taka
<b>4. Property, plant and equipment</b>		
<b>A. Cost:</b>		
Opening balance	30,842,283	30,101,433
Purchased during the year	1,047,434	740,850
Closing balance (A)	<u>31,889,717</u>	<u>30,842,283</u>
<b>B. Accumulated Depreciation:</b>		
Opening balance	17,034,538	12,069,680
Charged for the Year	5,029,015	4,964,858
Closing balance (B)	<u>22,063,552</u>	<u>17,034,538</u>
<b>Written down Value (A-B)</b>	<u>9,826,164</u>	<u>13,807,745</u>

A schedule of property, plant and equipment is given in Annexure-A.

**5. Intangible assets**

<b>A. Cost:</b>		
Opening balance	4,831,461	4,831,461
Addition during the year	-	-
Closing balance (A)	<u>4,831,461</u>	<u>4,831,461</u>
<b>B. Accumulated Amortization:</b>		
Opening balance	3,820,967	2,854,675
Charged for the Year	966,288	966,292
Closing balance (B)	<u>4,787,255</u>	<u>3,820,967</u>
<b>C. Written down value (A-B)</b>	<u>44,206</u>	<u>1,010,494</u>

A schedule of intangible assets is given in Annexure-A.

**6. Investment in un-quoted shares**

Dhaka Stock Exchange Limited (DSE)	(Note 6.1)	700,000,000	700,000,000
Chittagong Stock Exchange Limited (CSE)	(Note 6.2)	250,000,000	250,000,000
Central Depository Bangladesh Limited (CDBL)		18,277,770	18,277,770
Energypac Power Generation Limited		8,800,000	8,800,000
		<u>977,077,770</u>	<u>977,077,770</u>

		<b>Number of shares</b>	<b>Face value (BDT)</b>
<b>6.1</b>	<b>Stock Exchange Allotment Status</b>		
	Dhaka Stock Alloted (40%)	2,886,042	28,860,420
	Exchange Blocked (60%)	4,329,063	43,290,630
		<u>7,215,105</u>	<u>72,151,050</u>
<b>6.2</b>	<b>Stock Exchange Allotment Status</b>		
	Chittagong Stock Alloted (40%)	1,714,932	17,149,320
	Exchange Blocked (60%)	2,572,398	25,723,980
		<u>4,287,330</u>	<u>42,873,300</u>

This represents the acquisition cost of Dhaka Stock Exchange Limited (DSE) & Chittagong Stock Exchange Limited (CSE) memberships incurred by the company. The said DSE & CSE memberships were purchased by Dhaka Bank Securities Limited from Dhaka Bank Limited. Along with the memberships, the company had obtained broker & dealer registration certificates, strong customer base, skilled & efficient workforce, six branches in prime locations, over and above business reputation, trading right etc. As per the provision of the Exchanges Demutualization Act 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, DSE allotted total 7,215,105 ordinary Shares at face value of Tk.10.00 each and CSE allotted total 4,287,330 ordinary shares at face value of Tk.10.00 each against the membership respectively. Since then there is no active market for shares of DSE and CSE and the fair value of other assets cannot be reliably measured, the company has shown the value at acquisition cost of the investment for membership of DSE & CSE.



	31.12.2015 Taka	31.12.2014 Taka
<b>7 Investment in marketable securities</b>	<b>1,296,758,380</b>	<b>985,032,408</b>
<b>7.1</b> The investments in shares are categorized as financial assets held for trading as per BAS 39: Financial Instruments: Recognition and Measurement. The details of the investments are as follows:		
	<b>1,296,758,380</b>	<b>960,636,992</b>
	<b>960,636,992</b>	<b>933,353,819</b>
<b>8. Cash and bank balances</b>		
Cash in hand	109,500	109,500
Cash at bank (Note: 8.1)	238,008,858	204,820,305
	<b>238,118,358</b>	<b>204,929,805</b>
<b>8.1</b>		
	<b>238,008,858</b>	<b>204,820,305</b>
	<b>238,008,858</b>	<b>204,820,305</b>
<b>9. Margin loan</b>		
Opening balance	2,723,449,905	2,704,441,217
Disbursed during the year	402,692,674	495,651,265
	3,126,142,579	3,200,092,481
Realized during the year	(142,821,396)	(476,642,576)
<b>Gross margin loan outstanding</b>	<b>2,983,321,183</b>	<b>2,723,449,905</b>
Closing balance of interest suspense account	(579,908,932)	(372,757,223)
	<b>2,403,412,251</b>	<b>2,350,692,682</b>
<b>10. Account receivables</b>		
Receivable from non-margin clients	1,932,901	1,830,906
Receivable from Dhaka Stock Exchange (DSE)	15,047,403	22,311,100
Receivable from Chittagong Stock Exchange(CSE)	417,871	2,355,450
	<b>17,398,175</b>	<b>26,497,456</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>11. Advance income tax</b>		
Opening balance	22,137,984	19,637,953
Addition during the year (Note: 11.1)	43,330,815	42,960,814
	65,468,799	62,598,767
Settlement for previous year	-	(40,460,783)
	<b>65,468,799</b>	<b>22,137,984</b>
<b>11.1 Advance income tax (Addition)</b>		
AIT/TDS on brokerage commission - DSE	8,432,947	15,764,337
AIT/TDS on brokerage commission - CSE	146,053	385,667
Advance income tax paid	28,637,420	20,839,830
TDS/ AIT (Interest income, dividend income, etc)	6,114,395	5,970,980
	<b>43,330,815</b>	<b>42,960,814</b>
<b>12. Advance, prepayment &amp; other receivables</b>		
Advance (Note: 12.1)	853,000	900,000
Prepayment (Note: 12.2)	2,843,706	5,664,634
Other receivables (Note: 12.3)	22,353,321	11,682,062
	<b>26,050,027</b>	<b>18,246,696</b>
<b>12.1 Advances</b>	<b>853,000</b>	<b>900,000</b>
Advance for purchase of floor space @ DSE tower	850,000	850,000
Advance against expenses	3,000	50,000
<b>12.2 Prepayment</b>	<b>2,843,706</b>	<b>5,664,634</b>
Prepaid rent -Premises	2,812,500	5,625,000
Prepaid insurance - fire & burglary	26,906	38,588
Prepaid non-judicial stamp	4,300	1,046
<b>12.3 Other receivables</b>	<b>22,353,321</b>	<b>11,682,062</b>
Non-Interest Bearing Block Accounts (Note: 12.3.1)	1,244,183	1,254,790
Cash Dividend Receivable	21,109,138	10,427,273
<b>12.3.1 Non-Interest Bearing Block Accounts</b>		
<p>This amount represents 50% of interest charged in 2011 against some 30 Affected Small Investors under the Scheme declared by Investment Corporation of Bangladesh (ICB). The Rest 50% of the Interest was waived to the clients as per terms and conditions of the scheme.</p>		
<b>13. Deferred tax assets</b>		
	<b>Carrying Amount</b>	<b>Tax Base</b>
	<b>Taka</b>	<b>Taka</b>
<b>As on 31 December 2015</b>		
Property, Plant & Equipment	9,870,370	14,888,436
Applicable Tax Rate		35%
<b>Deferred Tax Asset as on 31 December 2015</b>		<b>1,756,323</b>
<b>As on 31 December 2014</b>		
Property, Plant & Equipment	14,818,239	16,593,106
Applicable Tax Rate		35%
<b>Deferred Tax Asset as on 31 December 2014</b>		<b>621,203</b>

			31.12.2015 Taka	31.12.2014 Taka
<b>14. Share capital</b>				
<b>Authorized Capital</b>				
500,000,000 ordinary shares of Tk. 10 each			<u>5,000,000,000</u>	<u>5,000,000,000</u>
<b>Paid up Capital</b>				
156,000,000 ordinary shares of Tk. 10 each fully paid			<u>1,560,000,000</u>	<u>1,560,000,000</u>
<b>Name of Shareholders</b>	<b>% of Shareholding</b>	<b>Number of Shares held</b>		
<b>1. Dhaka Bank Limited, Represented By,</b> Mr. Reshadur Rahman Mr. Abdul Hai Sarker Ms. Rokshana Zaman Mr. Altaf Hossain Sarker Mr. Syed Abu Naser Bukhtear Ahmed	99.999996%	155,999,994	1,559,999,940	1,559,999,940
2. Mr. Dilawar Hossain	0.000001%	1	10	10
3. Mr. Choudhury Md. Humayun Kabir	0.000001%	1	10	10
4. Mr. Md. Mahbubur Rahman	0.000001%	1	10	10
5. Mr. Nazmul Alam Khan	0.000001%	1	10	10
6. Mr. Suez Islam	0.000001%	1	10	10
7. Mrs. Shahnaz Naznin	0.000001%	1	10	10
	<b>100%</b>	<b>156,000,000</b>	<u><b>1,560,000,000</b></u>	<u><b>1,560,000,000</b></u>
<b>15. Investment fluctuation fund</b>				
Opening Balance			11,500,000	-
Addition during the year			8,700,000	11,500,000
			<u>20,200,000</u>	<u>11,500,000</u>
<b>16. Retained earnings</b>				
Opening Balance			219,834,017	157,906,891
Net profit for the year			76,081,460	73,427,126
			<u>295,915,478</u>	<u>231,334,017</u>
Transfer to Investment Fluctuation Fund			(8,700,000)	(11,500,000)
			<u>287,215,478</u>	<u>219,834,017</u>
<b>17. Loan from bank</b>				
			-	<u>1,878,000,000</u>
The long term loan was taken from Dhaka Bank Limited and was fully repaid on 31 December 2015.				
<b>18. Short-term loan from bank and NBFi</b>				
Loan from Dhaka Bank Limited (Note 18.1)			2,059,097,699	-
Loan from United Finance Limited (Note 18.2)			200,000,000	150,000,000
			<u>2,259,097,699</u>	<u>150,000,000</u>
<b>18.1 Loan from Dhaka Bank Limited</b>				
Dhaka Bank Limited, vide their Sanction Letter No. DBL/LO/CR/2015/7934 dated 30 December 2015, offered an Overdraft Facility of Tk. 2,300 Million in favor of Dhaka Bank Securities Limited. As on 31 December 2015 the facility was utilized to the tune of Taka 2,059,097,699 for full repayment of loan taken from Dhaka Bank Limited, Head Office and accrued interest thereon.				
<b>18.2 Loan from United Finance Limited</b>				
Dhaka Bank Securities Limited entered into a loan agreement No. 01061404248 dated 21 May 2014 with United Finance Limited for one year revolving loan which was renewed on 18 May 2015.				



		<b>31.12.2015</b>	<b>31.12.2014</b>
		<b>Taka</b>	<b>Taka</b>
<b>19. Accounts payables</b>			
Payable to clients		243,878,241	202,376,309
IPO application money		-	3,059,000
Payable to DSE		4,593,930	4,953,816
Payable to CSE		16,604	276,012
Payable to CDBL		57,167	344,445
Payable to suppliers		-	450,000
		<b>248,545,942</b>	<b>211,459,582</b>
<b>20. Provision for income tax</b>			
Opening balance		61,227,890	50,808,375
Provision made during the period		34,308,963	50,880,298
Settlement for previous year		-	(40,460,783)
		<b>95,536,853</b>	<b>61,227,890</b>
<b>21. Provision for unrealized losses</b>			
Loss in portfolio	(Note: 21.1)	125,000,000	51,678,590
Loss in margin loan accounts	(Note: 21.2)	320,000,000	300,000,000
Stimulation fund for affected investors	(Note: 21.3)	7,516,721	7,506,115
		<b>452,516,721</b>	<b>359,184,705</b>
<b>21.1 Provision for Unrealized Loss in Portfolio</b>			
Opening balance		51,678,590	40,000,000
Addition during the year		73,321,410	11,678,590
		<b>125,000,000</b>	<b>51,678,590</b>
<b>21.2 Provision for unrealized loss in margin loan accounts</b>			
Opening balance		300,000,000	115,000,000
Addition during the year		20,000,000	185,000,000
		<b>320,000,000</b>	<b>300,000,000</b>
<b>21.3 Stimulation Fund for Affected Investors</b>			
Opening balance		7,506,115	8,760,904
Addition/(adjustments) during the year		10,606	(1,254,789)
		<b>7,516,721</b>	<b>7,506,115</b>
<b>22. Other liabilities</b>			
Liabilities for expense	(Note: 22.1)	112,504,715	148,422,721
Liabilities related to tax and VAT	(Note: 22.2)	293,043	425,329
		<b>112,797,758</b>	<b>148,848,050</b>
<b>22.1 Liabilities for expense</b>			
Interest expenses for loan from Bank & NBF		110,910,415	147,616,846
Audit fees		115,000	115,000
Others		1,479,300	690,875
		<b>112,504,715</b>	<b>148,422,721</b>
<b>22.2 Liabilities related to tax and VAT</b>			
VAT current A/C		167,898	293,322
Tax withholding liabilities		125,146	132,007
		<b>293,043</b>	<b>425,329</b>



	2015 Taka	2014 Taka
<b>23. Brokerage commission income</b>		
Brokerage - Dhaka Stock Exchange (DSE)	62,522,820	112,092,809
Brokerage - Chittagong Stock Exchange (CSE)	1,109,327	3,312,769
	<b>63,632,147</b>	<b>115,405,579</b>
<b>24. Direct expenses</b>		
Howla charges (Note: 24.1)	15,608	1,089,424
Laga charges (Note: 24.2)	4,250,572	6,459,408
CDBL Expense - Daily Settlement (Pay In/Out)	2,809,465	5,773,551
	<b>7,075,645</b>	<b>13,322,383</b>
<b>24.1 Howla charges</b>		
DSE for broker	-	959,646
DSE for dealer	-	84,956
	-	<b>1,044,602</b>
CSE for broker	15,608	44,592
CSE for dealer	-	230
	<b>15,608</b>	<b>44,822</b>
	<b>15,608</b>	<b>1,089,424</b>
<b>24.2 Laga charges</b>		
DSE for broker	3,498,528	5,273,386
DSE for dealer	696,063	1,050,416
	<b>4,194,591</b>	<b>6,323,801</b>
CSE for broker	43,833	132,971
CSE for dealer	12,148	2,635
	<b>55,980</b>	<b>135,606</b>
	<b>4,250,572</b>	<b>6,459,408</b>
<b>25. Interest income</b>		
Interest on margin loan	216,633,497	253,427,412
Interest income on bank deposit A/C	10,596,292	8,988,194
	<b>227,229,789</b>	<b>262,415,606</b>
<b>26. Interest expense</b>		
On Loan from Dhaka Bank Limited	216,318,811	231,859,972
On Loan from United Finance Limited	7,841,311	5,761,110
	<b>224,160,122</b>	<b>237,621,082</b>
<b>27. Net investment income</b>		
Capital gain from sale of securities (Note: 27.1)	174,791,201	232,684,256
Dividend income	35,956,074	27,215,206
	<b>210,747,275</b>	<b>259,899,462</b>
<b>27.1 Capital gain from sale of securities</b>		
Sales price of shares	1,370,220,525	2,514,340,053
Cost price of shares	(1,195,429,324)	(2,278,865,793)
	<b>174,791,201</b>	<b>235,474,260</b>

	2015 Taka	2014 Taka
<b>28. Fees &amp; other income</b>		
BO account opening and closing fees	101,315	240,796
BO renewal fees	464,000	467,900
IPO processing fees	12,065	2,417
Central Depository Bangladesh Limited income (Note: 28.1)	1,768,676	627,945
Other income	143,068	190,557
	<b>2,489,124</b>	<b>1,529,615</b>
<b>28.1 Central Depository Bangladesh Limited income</b>		
<b>A. Central Depository Bangladesh Limited (CDBL) income</b>		
CDBL income - transfer in/out	823,350	327,940
CDBL income - Bonus/Right/IPO/Split/DEMAT	1,013,167	648,426
CDBL income - Pledge/Unpledge	587,474	646,184
CDBL income - Cash Back Rebate	632,371	-
	<b>3,056,362</b>	<b>1,622,550</b>
<b>B. Central Depository Bangladesh Limited (CDBL) expenses</b>		
CDBL expense - transfer in/out	528,385	222,005
CDBL expense - Bonus/Right/IPO/Split/DEMAT	379,352	338,257
CDBL expense - Pledge/Unpledge	373,949	428,343
CDBL expense - monthly connection fees	6,000	6,000
	<b>1,287,686</b>	<b>994,605</b>
<b>Net CDBL income (A - B)</b>	<b>1,768,676</b>	<b>627,945</b>
<b>29. Salaries &amp; allowances</b>		
Basic salaries	12,242,844	11,335,476
Allowances	13,463,046	12,627,771
Leave fare assistance	2,038,561	1,886,496
Employer's contribution to provident fund	1,196,874	1,105,350
Bonus	2,907,988	3,597,128
	<b>31,849,313</b>	<b>30,552,221</b>
<b>30. Rent, taxes, insurance, electricity, etc.</b>		
Rent expenses	10,682,644	10,214,176
Insurance expenses	105,032	139,847
Electricity expenses	1,916,107	1,934,686
Fuel expenses	1,337,722	1,322,862
Water and Sewerage	671,133	669,246
Contribution to investors' protection fund	15,778	20,784
Authorise representative registration fees & training expenses	11,500	170,000
Renewal of registration certificates, trade license, etc	356,982	232,494
Subscriptions & membership fees expenses	64,100	12,500
	<b>15,160,998</b>	<b>14,716,594</b>
<b>31. Legal expenses</b>	<b>275,375</b>	<b>372,348</b>
<b>32. Postage, stamp, telecommunication, etc.</b>		
Postage & courier	19,642	23,629
Stamps-judicial/non-judicial	22,506	35,673
Telephone, fax, PABX expense	158,662	158,540
Mobile, internet, cable TV bills	440,155	357,023
	<b>640,965</b>	<b>574,865</b>





	2015 Taka	2014 Taka
<b>33. Stationery, printing, advertisements, etc.</b>		
Stationeries expenses- (printed materials)	363,508	170,116
Stationeries - General (table/petty stationeries)	160,665	207,256
Stationeries- Computer consumable (paper & accessories)	641,372	550,798
Publicity expenses	20,000	9,200
Periodicals, magazines, books, journals etc.	21,122	16,160
	<b>1,206,667</b>	<b>953,530</b>
<b>34. Directors' fee &amp; meeting expenses</b>		
Director's fee	195,000	155,000
Meeting, seminar and conference expenses	452,045	696,105
	<b>647,045</b>	<b>851,105</b>
<b>35. Audit fee</b>		
Annual audit of 2015	115,000	115,000
	<b>115,000</b>	<b>115,000</b>
<b>36. Repair &amp; maintenance of assets</b>		
Office premises	264,057	266,903
Furnitures and fixtures	24,542	45,962
Office and electric appliances	430,473	398,235
Electrical fittings	318,000	112,774
Computer, software, printer, UPS etc.	542,155	516,753
Repair, replacement and maintenance - vehicles	92,105	92,099
Pool car expenses	334,267	321,925
Network connectivity expenses	2,151,375	2,286,920
Planting & nursery expense - office premises	70,725	66,500
Flower expense - office premises	20,165	40,120
	<b>4,247,864</b>	<b>4,148,191</b>
<b>37. Other expenses</b>		
Bank charges	30,003	82,655
Excise duty expense	62,500	21,000
Commission expense- bank guarantees	1,265,300	1,035,900
Cleaning & maintenance services	1,004,603	887,214
Contractual service charges	953,112	1,223,547
Staff uniform expense	101,805	90,250
Support staff expense	1,246,368	1,133,478
Security guard expense	2,256,456	2,256,456
Training and development	191,829	128,000
Traveling expense and allowances	377,891	76,222
Conveyance expense-Local	213,330	208,184
Regular canteen expense	1,577,130	1,553,860
Entertainment expenses	183,340	279,674
Business promotion expenses	461,107	787,385
Newspapers	62,094	61,316
Donation	10,000	5,000
Miscellaneous - (others )	150,456	244,132
	<b>10,147,324</b>	<b>10,074,273</b>

**38. Depreciation and amortization**

	2015 Taka	2014 Taka
Depreciation-Furniture and Fixtures	1,204,956	1,203,598
Depreciation-Office Appliances & Equipments	1,273,555	1,236,904
Depreciation-Computer	1,952,400	1,926,255
Depreciation-Motor Vehicles	598,104	598,101
Amortization Expense-Software	966,288	966,292
	<b>5,995,303</b>	<b>5,931,150</b>

**39. Current tax**

	2015 Taka	2014 Taka
	<b>34,308,963</b>	<b>50,880,298</b>

**40. Deferred tax income**

Closing Balance of Deferred Tax Assets	(1,756,323)	(621,203)
Opening Balance of Deferred Tax Assets/(liabilities)	(621,203)	347,292
Deferred Tax Income	<b>(1,135,120)</b>	<b>(968,495)</b>

**41. Earning Per Share (EPS)**

a) Net profit after tax	76,081,460	73,427,127
b) Weighted average no. of shares outstanding	156,000,000	156,000,000
Earning Per Share (EPS) (a ÷ b)	<b>0.49</b>	<b>0.47</b>

**42. Related party transaction**

Name of the related party	Relationship	Nature of transaction	Transacton during year	Closing balance as at 31.12.2015	Closing balance as at 31.12.2014
Dhaka Bank Limited	Parent Company	Loan	35,140,459	2,059,097,699	2,094,238,158
Mr. A. T. M. Hayatuzzaman Khan	Spouse of Director	Advance Rent for Leased Premises	2,812,500	2,812,500	5,625,000

**43. Issuance of Bonus Share**

The Board of Directors of Dhaka Bank Securities Limited in its 25th Meeting held on 08 April 2015 recommended for issuance of 10 (ten) Bonus share for every 100 (one hundred) shares for the year 2014 to the shareholders of the company which was subsequently approved by the shareholders in the 5th Annual General Meeting held on 12 May, 2015. The Bonus Shares will be allotted to the Shareholders upon receiving the consent from Bangladesh Securities and Exchange Commission (BSEC)

**44. Date of authorisation**

The Board of director has authorised these financial statements for issue on 19 January 2016.



Annexure - A

**Dhaka Bank Securities Limited**  
Fixed Asset Schedule  
As on December 31, 2015

**A. Property, Plant and Equipments:**

Particulars	Cost		Rate %	Depreciation		Written Down Value as on 31.12.2015
	Balance as on 01.01.2014	Addition during the Period		Balance as on 01.01.2014	Charges during the period	
Furnitures & Fixtures	12,035,984	40,734	10%	4,488,492	1,204,956	6,383,270
Office Appliances & Equipments	6,184,520	529,600	20%	4,331,694	1,273,555	1,108,871
Computer	9,631,274	477,100	20%	6,420,049	1,952,400	1,735,925
Motor Vehicles	2,990,505	-	20%	1,794,303	598,104	598,098
<b>As on 31 December 2015</b>	<b>30,842,283</b>	<b>1,047,434</b>		<b>17,034,538</b>	<b>5,029,015</b>	<b>9,826,164</b>
<b>As on 31 December 2014</b>	<b>30,101,433</b>	<b>740,850</b>		<b>12,069,680</b>	<b>4,964,858</b>	<b>13,807,745</b>

**B. Intangible Asset:**

Particulars	Cost		Rate %	Amortization		Written Down Value as on 31.12.2015
	Balance as on 01.01.2014	Addition during the Period		Balance as on 01.01.2014	Charges during the period	
Software	4,831,461	-	20%	3,820,967	966,288	44,206
<b>As on 31 December 2015</b>	<b>4,831,461</b>	<b>-</b>		<b>3,820,967</b>	<b>966,288</b>	<b>44,206</b>
<b>As on 31 December 2014</b>	<b>4,831,461</b>	<b>-</b>		<b>2,854,675</b>	<b>966,292</b>	<b>1,010,494</b>



**Dhaka Bank Investment Limited**  
**Statement of Financial Position**  
**As on 31 December 2015**

	Notes	31.12.2015 Taka	31.12.2014 Taka
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Preliminary expenditure	4	1,107,825	886,260
<b>Current Assets</b>			
Cash and bank balance	5	271,922,950	261,384,258
Advance income tax	6	2,436,330	1,265,109
		<u>274,359,280</u>	<u>262,649,367</u>
<b>Total Assets</b>		<u><b>275,467,105</b></u>	<u><b>263,535,627</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7	250,000,000	250,000,000
Retained earnings	8	15,484,447	7,726,189
<b>Total Equity</b>		<u><b>265,484,447</b></u>	<u><b>257,726,189</b></u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
		-	-
<b>Current Liabilities</b>			
Provision for income tax	9	8,693,933	4,635,713
Other liabilities	10	1,288,725	1,173,725
		<u>9,982,658</u>	<u>5,809,438</u>
<b>Total Liabilities</b>		<u><b>9,982,658</b></u>	<u><b>5,809,438</b></u>
<b>Total Equity and Liabilities</b>		<u><b>275,467,105</b></u>	<u><b>263,535,627</b></u>

The annexed notes from 1 to 12 form an integral part of these financial statements.

**Dhaka Bank Investment Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2015**

	Notes	2015 Taka	2014 Taka
<b>Operating Income</b>			
Interest Income		-	-
Other Income	11	11,712,213	12,651,092
		<b>11,712,213</b>	<b>12,651,092</b>
<b>Operating Expense</b>			
General & Administrative Expenses	12	(117,300)	(289,190)
<b>Profit before Taxation</b>		<b>11,594,913</b>	<b>12,361,902</b>
<b>Provision for Income Tax (Current Tax)</b>		<b>(4,058,220)</b>	<b>(4,635,713)</b>
<b>Net Profit after Tax</b>		<b>7,536,693</b>	<b>7,726,189</b>
Other Comprehensive Income		-	-
		<b>7,536,693</b>	<b>7,726,189</b>

The annexed notes from 1 to 12 form an integral part of these financial statements.

**Dhaka Bank Investment Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2015**

Particulars	(Amount in Taka)		
	Share Capital	Retained Earnings	Total Equity
<b>Opening Balance</b>	<b>250,000,000</b>	<b>7,726,189</b>	<b>257,726,189</b>
Add: Adjustment for prior year	-	221,565	221,565
Net profit for the year	-	7,536,693	7,536,693
<b>Balance as on 31 December 2015</b>	<b>250,000,000</b>	<b>15,484,447</b>	<b>265,484,447</b>
<b>Opening Balance</b>	-	-	-
Paid up Share Capital	250,000,000	-	250,000,000
Net profit for the year	-	7,726,189	7,726,189
<b>Balance as on 31 December 2014</b>	<b>250,000,000</b>	<b>7,726,189</b>	<b>257,726,189</b>



**Dhaka Bank Investment Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2015**

	2015 Taka	2014 Taka
<b>a. Cash Flows from Operating Activities</b>		
Other Income	11,712,213	12,651,092
Operating Expenses	(2,300)	(1,725)
Cash generated from operating activities before changes in operating assets and liabilities	11,709,913	12,649,367
<b>Changes in Operating Assets and Liabilities</b>		
Advance Income Tax	(1,171,221)	(1,265,109)
<b>Net Cash Flow from Operating Activities</b>	<b>10,538,692</b>	<b>11,384,258</b>
<b>b. Cash Flows from Investing Activities</b>	-	-
<b>c. Cash Flows from Financing Activities</b>		
Proceeds from Issue of Shares	-	250,000,000
<b>Net Cash Flow from Financing Activities</b>	-	<b>250,000,000</b>
<b>Net Cash Surplus for the period (a+b+c)</b>	<b>10,538,692</b>	<b>261,384,258</b>
Cash & Bank Balance at Beginning of the year	261,384,258	-
<b>Cash &amp; Bank Balance at the end of the year*</b>	<b>271,922,950</b>	<b>261,384,258</b>
<b>*Cash &amp; Bank Balance</b>		
Cash in Hand	-	-
Cash at Bank	271,922,950	261,384,258
	<b>271,922,950</b>	<b>261,384,258</b>

**Dhaka Bank Investment Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2015**

**1. Company and its Activities**

**1.1 Legal Status of the Company**

Dhaka Bank Investment Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-112730/13 dated 02 December, 2013 as a Private Company Limited by Shares having its registered office at Biman Bhaban (1st Floor), 100, Motijheel C/A, Dhaka -1000. The company is yet to obtain registration certificates from Securities and Exchange Commission.

**1.2 Principal Activities of the Company**

The principal activities of the company are to carry on the business of Merchant Banking in all its aspects and to act as Issue Managers in order to issue and offers, whether by way of public offer or otherwise of shares, stocks, debentures, bonds, units, notes, bills, warrants or any other instruments, to carry on the business of securities management and brokerage, Custodian service, Investment and Asset Management, Portfolio Management, Capital Market operations etc.

**2. Basis of Preparation and Significant Accounting Policies**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994 and other applicable laws and regulations.

**2.2 Basis of Measurement**

The financial statements have been prepared under the historical cost convention.

These financial statements have been presented in Bangladesh Taka (Taka/Tk.), which is the company's functional currency. All financial information presented in Taka has been rounded to nearest integer.

**2.3 Use of estimated and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis.

**2.4 Components of financial statements**

- Statement of Financial Position
- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements

**2.5 Going concern**

The company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations



## 2.6 Preliminary expenditure

Preliminary expenditure is recognized for formation, registration and capital raising of the company including legal and other professional services. Amortization of preliminary expenditure is recognised in statement of profit or loss and other comprehensive income on a straight line basis over 5 (five) years from the date of recognition.

## 3. Directors' Responsibility Statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

## 4. Preliminary Expenditure

	31.12.2015 Taka	31.12.2014 Taka
Preliminary Expenditure	886,260	1,107,825
Less: Amortization for the year	-	221,565
	886,260	886,260
Add: Adjustment for prior year*	221,565	-
	<b>1,107,825</b>	<b>886,260</b>

\* Dhaka Bank Investment Limited amortized Tk.221,565 for preliminary expenditure during the year 2014 but Dhaka Bank Investment Limited does not start operation till now. Amortization of preliminary expenditure will be charged after starting of operation. Amount amortized last year was restated in the current year.

## 5. Cash & Bank Balance

Cash in Hand		-	-
Cash at Bank	(Note: 5.1)	271,922,950	261,384,258
		<b>271,922,950</b>	<b>261,384,258</b>

### 5.1 Cash at Bank

<u>Name of Bank</u>	<u>Branch</u>	<u>A/C #</u>		
Dhaka Bank Limited	Local Office	201.150.3401	111,908,952	107,571,987
Dhaka Bank Limited	Gulshan Circle-2	102.150.0018	160,013,998	153,812,271
			<b>271,922,950</b>	<b>261,384,258</b>

## 6. Advance Income Tax

Opening Balance		1,265,109	-
Add: Addition during the year	(Note: 6.1)	1,171,221	1,265,109
		<b>2,436,330</b>	<b>1,265,109</b>

### 6.1 Addition during the year

Tax deducted at source		<b>1,171,221</b>	<b>1,265,109</b>
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## 7. Share Capital

### 7.1 Authorized Capital

200,000,000 ordinary shares @ Tk. 10 each		<b>2,000,000,000</b>	<b>2,000,000,000</b>
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### 7.2 Paid up Capital

The Issued, Subscribed and Paid-up Capital is Tk.250,000,000 divided into 25,000,000 ordinary shares of Taka 10 each fully paid. The shareholding position of the company as on 31 December 2015 is as follows:





Sl. #	Name of Shareholders	Number of Shares held	% of Shareholding	31.12.2015	31.12.2014
				Amount in Taka	Amount in Taka
1.	Dhaka Bank Limited, represented by	24,999,994	99.999976	249,999,940	249,999,940
	Mr. Khondoker Jamil Uddin				
	Mr. Md. Amirullah				
	Ms. Tahidul Hossain Chowdhury				
	Mr. Mirza Yasser Abbas				
2.	Mr. Shafiqul Islam Sarker	1	0.000001	10	10
3.	Mr. Mohammad Ashiqur Rahman	1	0.000001	10	10
4.	Mr. Hasanuzzaman	1	0.000001	10	10
5.	Mr. Asif Hanif	1	0.000001	10	10
6.	Mr. Latiful Bari	1	0.000001	10	10
7.	Ms. Nabila Mirza	1	0.000001	10	10
		<b>25,000,000</b>	<b>100</b>	<b>250,000,000</b>	<b>250,000,000</b>

31.12.2015 Taka	31.12.2014 Taka
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**8. Retained Earnings**

Opening Balance	7,726,189	-
Add: Net Profit for the year	7,536,693	7,726,189
Adjustment for prior year*	221,565	-
	<b>15,484,447</b>	<b>7,726,189</b>

\* Dhaka Bank Investment Limited amortized Tk.221,565 for preliminary expenditure during the year 2014 but it did not start operation till now. Amortization of preliminary expenditure will be charged after starting of operation. Amount amortized last year has been restated in the current year.

**9. Provision for Income Tax**

Opening Balance	4,635,713	-
Add: Addition during the year	4,058,220	4,635,713
	<b>8,693,933</b>	<b>4,635,713</b>

**10. Other Liabilities**

Payable to Dhaka Bank Limited	1,173,725	1,116,225
Provision for Audit Fees	115,000	57,500
	<b>1,288,725</b>	<b>1,173,725</b>

2015 Taka	2014 Taka
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**11. Other Income**

Interest on SND A/C	<b>11,712,213</b>	<b>12,651,092</b>
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**12. General & Administrative Expenses**

Amortization of Preliminary Expenditure	-	221,565
Audit Fees	115,000	57,500
Bank Charges	2,300	1,725
Stationery, Printing, Advertisement etc.	-	8,400
	<b>117,300</b>	<b>289,190</b>